

GMCMP CONSENT ITEMS

GMCMP APPEAL SUMMARY

DATA MONTH		Sep-09		Fine \$US	
Acquirer Name		Wirecard		VISA RM	
Acquirer Contact Name		Oliver Nebelung		Acquirer BIN	
Merchant Legal Name		Rivierico Trading Ltd		MID	
Merchant URL		berryultimatefresh.com		MCC	
Month	Trans #	Cbk #	Cbk %	Fine US\$	Council Decision
Sep-09	37,487	1,273	3.40%	127,300	

1. Summary

E-comm merchant: nutraceutical products

The acquirer did not submit an appeal.

VISA Review

Recommend to levy penalties as acquirer did not submit an appeal.

GMCMP APPEAL SUMMARY

DATA MONTH		Sep-09		Fine \$US	
Acquirer Name		Wirecard		VISA RM	
Acquirer Contact Name		Oliver Nebelung		Acquirer BIN	
Merchant Legal Name		Besiana Investments Ltd		MID	
Merchant URL		cleansePristinePro.com		MCC	
Month	Trans #	Cbk #	Cbk %	Fine US\$	Council Decision
Sep-09	35,214	1,279	3.63%	127,900	

1. Summary

E-comm merchant: nutraceutical products

The acquirer did not submit an appeal.

VISA Review

Recommend to levy penalties as acquirer did not submit an appeal.

GMCMP APPEAL SUMMARY					
DATA MONTH		Sep-09		Fine \$US	23,400
Acquirer Name		Wirecard		VISA RM	Helke Mueller
Acquirer Contact Name		Oliver Nebelung		Acquirer BIN	424500
Merchant Legal Name		LB Pegasus Ltd. (through LocalBilling)		MID	MAXCLEANSE
Merchant URL		maxcleanse.li		MCC	5966
Month	Trans #	Cbk #	Cbk %	Fine US\$	Council Decision
Sep-09	1,658	234	14.11%	23,400	
1. Summary					
E-comm merchant: adult.					
Acquirer did not submit appeal					
VISA Review	Recommend to levy penalties as the acquirer did not submit an appeal.				

Report Month : October 2009

MERCHANT NAME	MEMBER NAME	BN	MCC	Regio n	SLS COU	CBK COU	CBK %	POTENTIAL PENALTY	VE COMPLIANCE COUNCIL DECISION
	B+S CARD SERVICE GMBH		5967	3	2,302	258	11.21%	\$25,800	LEVY PENALTY
	B+S CARD SERVICE GMBH		7841	3	9,887	224	2.27%	\$22,400	SUSPEND 3 MONTHS
	B+S CARD SERVICE GMBH		7905	3	6,211	350	5.64%	\$35,000	LEVY PENALTY
	BANCA MONTE DEI PASCHI DI SI		4789	3	794	245	30.86%	\$24,500	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5967	3	2,013	279	13.85%	\$27,900	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5967	3	1,933	264	13.66%	\$26,400	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5967	3	1,039	276	14.23%	\$27,600	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5907	3	1,981	287	14.49%	\$28,700	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5967	3	2,059	268	13.02%	\$26,000	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5734	3	1,324	617	31.83%	\$61,700	LEVY PENALTY
	DEUTSCHE POSTBANK AG		5967	3	2,585	280	11.14%	\$28,000	LEVY PENALTY
	DEUTSCHE POSTBANK AG		7997	3	721	215	29.82%	\$21,500	not breach of GfMCM - data verified and merchant contracts supplied to VE and VI
	CARTE BLEUE - Societe Generale		5965	3	1,864	254	13.63%	\$25,400	currently under agreed suspension period
	HSBC BANK PLC		5615	3	7,856	219	2.74%	\$21,900	currently under agreed suspension period
	NORD/LB LATVIA JSC		5735	3	5,778	336	5.82%	\$33,600	LEVY PENALTY
	NORD/LB LATVIA JSC		5735	3	403	444	110.17%	\$44,400	LEVY PENALTY
	NORDEA BANK AB		5969	3	19,801	1,178	5.95%	\$117,800	LEVY PENALTY
	OTP BANK RT (NATIONAL SAVIN		7922	3	912	219	24.01%	\$21,900	SUSPEND 3 MONTHS
	SERVIRED - La Caixa		4784	3	15,226	607	3.97%	\$60,700	currently under agreed suspension period
	SERVIRED - La Caixa		5967	3	10,198	331	3.15%	\$33,100	LEVY PENALTY
	VISA ICELAND		5310	3	1,681	212	12.61%	\$21,200	currently under agreed suspension period
	VISA ICELAND		5310	3	9,878	971	9.83%	\$97,100	currently under agreed suspension period
	VISA ICELAND		5310	3	7,829	236	3.30%	\$23,600	currently under agreed suspension period
	VISA ICELAND		5310	3	39,728	1,077	2.71%	\$107,700	currently under agreed suspension period
	VISA ICELAND		multiple	3	9,701	759	7.82%	\$75,900	LEVY PENALTY
	VISA ICELAND		multiple	3	203,444	4,144	2.04%	\$414,400	LEVY PENALTY
	VISA SWEDEN ASSOCIATION - SE		3852	3	7,008	332	4.74%	\$33,200	currently under agreed suspension period
	VISA SWEDEN ASSOCIATION - SWED		4111	3	15,549	414	2.79%	\$41,400	SUSPEND 3 MONTHS - from September '09 data month,
	VISA SWEDEN ASSOCIATION - SWED		4131/4214	3	15,549	414	2.79%	\$41,400	reverse November Council's decision to levy penalties
	J.P. MORGAN EUROPE LIMITED		43132249	3	4,340	216	4.99%	\$21,600	SUSPEND 3 MONTHS

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VISA 00330

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ACCOUNT NAME	DATE	AMOUNT	DEBIT	CREDIT	COU	COU	UBA %	PENALTY
ACCESSCLEANS			5499	3	18,508	516	2.79%	\$51,600 LEVY PENALTY - subject to additional EMC ratification
			5499	3	13,709	891	6.50%	\$89,100 LEVY PENALTY - subject to additional EMC ratification
			5966	3	9,345	375	4.01%	\$37,500 LEVY PENALTY - subject to additional EMC ratification
			5966	3	6,653	305	5.94%	\$39,500 LEVY PENALTY - subject to additional EMC ratification
			5966	3	6,294	365	5.80%	\$36,500 LEVY PENALTY - subject to additional EMC ratification
			5966	3	6,140	342	5.39%	\$34,200 LEVY PENALTY - subject to additional EMC ratification
			5966	3	7,860	508	6.46%	\$50,800 LEVY PENALTY - subject to additional EMC ratification
			5499	1	146,776	3,257	2.23%	\$329,700 LEVY PENALTY - subject to additional EMC ratification
			5966	3	5,966	367	6.15%	\$36,700 LEVY PENALTY - subject to additional EMC ratification
			5966	3	14,218	337	2.37%	\$33,700 LEVY PENALTY - subject to additional EMC ratification
			5966	3	14,681	441	3.00%	\$44,100 LEVY PENALTY - subject to additional EMC ratification
			5499	3	8,260	487	5.89%	\$48,700 LEVY PENALTY - subject to additional EMC ratification
			5499	3	94,889	4,832	5.11%	\$48,500 LEVY PENALTY - subject to additional EMC ratification
			5499	3	18,409	540	2.93%	\$54,000 LEVY PENALTY - subject to additional EMC ratification
			5499	3	26,909	1,029	3.71%	\$151,500 LEVY PENALTY - subject to additional EMC ratification
			5499	3	26,909	1,029	3.71%	\$152,900 LEVY PENALTY - subject to additional EMC ratification
			5499	3	46,758	2,876	6.15%	\$287,600 LEVY PENALTY - subject to additional EMC ratification
			5499	3	18,470	5,626	14.63%	\$562,600 LEVY PENALTY - subject to additional EMC ratification
			5499	3	22,079	570	2.58%	\$57,000 LEVY PENALTY - subject to additional EMC ratification
			5966	3	18,735	498	2.66%	\$49,800 LEVY PENALTY - subject to additional EMC ratification
			5966	3	8,932	479	5.37%	\$47,900 LEVY PENALTY - subject to additional EMC ratification
			5966	3	6,966	340	4.88%	\$34,000 LEVY PENALTY - subject to additional EMC ratification
			5499	3	64,820	5,815	8.97%	\$581,500 LEVY PENALTY - subject to additional EMC ratification
			5499	3	37,381	2,274	6.08%	\$227,400 LEVY PENALTY - subject to additional EMC ratification
			5499	3	47,886	3,087	6.50%	\$308,700 LEVY PENALTY - subject to additional EMC ratification
			5966	3	7,582	335	4.42%	\$33,500 LEVY PENALTY - subject to additional EMC ratification
TOTAL WIRECARD								\$3,905,700

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VISA 00331

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ATTACHMENT R - p. 11

MERCHANT NAME	MEMBER NAME	BIN	MCC	Region	SLB. COU	CBK. COU	CBL %
2CO.COM.2CHECKOUT.COM	B+S CARD SERVICE GMBH	7372	3	6,716	137	2.04%	
	B+S CARD SERVICE GMBH	5967	3	131,70	1,480	1.13%	
	B+S CARD SERVICE GMBH	5969	3	1,272	112	8.81%	
	BANK OF SCOTLAND (THE GOV & BANK)	7372	3	975	114	11.73%	
	BARCLAYS BANK PLC	7512	3	2,644	173	6.540%	
	BARCLAYS BANK PLC	4816	3	32,879	361	1.10%	
	DEUTSCHE POSTBANK AG	7997	3	347	112	32.28%	
	DEUTSCHE POSTBANK AG	5967	3	149	288	91.20%	
	DEUTSCHE POSTBANK AG	7997	3	403	140	22.31%	
	DEUTSCHE POSTBANK AG	7997	3	378	145	38.69%	
	ELAVON FINANCIAL SERVICES LTD	4814	3	7,276	125	1.79%	
	ELAVON FINANCIAL SERVICES LTD	4814	3	4,128	125	3.03%	
	CARTE BLEUE - Societe Generale	4511	3	13,229	163	1.23%	
	CARTE BLEUE - Societe Generale	5965	3	12,061	506	1.30%	
	CARTE BLEUE - Societe Generale	4814	3	32,788	341	1.04%	
	CARTE BLEUE - Societe Generale	5965	3	712	112	15.73%	
	HSBC BANK PLC	4900	3	13,606	193	1.42%	
	EUROTOKUNTA	5812	3	500	105	21.00%	
	NATIONAL WESTMINSTER BANK	4814	3	52,098	687	1.13%	
	NATIONAL WESTMINSTER BANK	5045	3	4,334	193	4.56%	
NATIONAL WESTMINSTER BANK	4131	3	36,150	615	1.70%		
NORDLEB LATVIA JSC	5734	3	753	144	19.12%		
NORDLEB LATVIA JSC	5734	3	2,133	143	6.70%		
SERVIRED - Caja Madrid	5962	3	6,925	118	1.70%		
SERVIRED - Caja Madrid	4722	3	1,798	101	5.62%		
SERVIRED - La Caixa	4722	3	1,246	110	8.83%		
SISTEMA 4IB S.A. - Stanbinder	4722	3	4,028	127	3.15%		
VISA ICELAND	5734	3	36,134	653	1.81%		
VISA ICELAND	5710	3	624	172	37.50%		
VISA ICELAND	4814	3	13,301	200	1.50%		
VISA ICELAND	5912	3	47,955	688	1.47%		
VISA ICELAND	3710	3	340	103	30.29%		
VISA ICELAND	5012	3	14,024	161	1.15%		
VISA ICELAND	814	3	13,196	178	1.35%		
VISA ICELAND	814	3	26,580	273	1.03%		
VISA ICELAND	641	3	20,908	316	1.51%		
VISA ICELAND	409	3	596	117	19.63%		
VISA ICELAND	3710	3	4,727	108	2.63%		
VISA ICELAND	712	3	13,155	148	1.13%		

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WIRECARD BANK AG	5967	3	1,498	132	8.86%
WIRECARD BANK AG	5966	3	307	117	23.08%
WIRECARD BANK AG	5967	3	1,477	142	9.61%
WIRECARD BANK AG	7995	3	15,153	243	1.60%
WIRECARD BANK AG	5967	3	3,732	109	2.92%
WIRECARD BANK AG	5966	3	1,405	150	10.68%
WIRECARD BANK AG	5967	3	25,794	265	1.03%
WIRECARD BANK AG	5967	3	1,440	146	10.14%
WIRECARD BANK AG	5966	3	1,352	121	8.95%
WIRECARD BANK AG	5964	3	11,569	187	1.62%
WIRECARD BANK AG	5966	3	1,818	100	5.41%
WIRECARD BANK AG	5967	3	2,611	107	4.10%
WIRECARD BANK AG	5967	3	2,988	118	3.95%
WIRECARD BANK AG	5967	3	6,211	122	1.96%
WIRECARD BANK AG	3409	3	6,457	108	1.61%
WIRECARD BANK AG	5964	3	25,831	332	1.24%
WIRECARD BANK AG	5967	3	1,312	104	10.21%
WIRECARD BANK AG	5967	3	694	100	14.41%
WIRECARD BANK AG	5966	3	249	127	51.00%
WIRECARD BANK AG	5999	3	6,622	102	1.54%
WIRECARD BANK AG	5967	3	60,234	614	1.02%
WIRECARD BANK AG	5967	3	62,633	767	1.21%
WIRECARD BANK AG	5967	3	12,572	152	1.21%

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ATTACHMENT R - p. 13

Wirecard Bank AG Germany

MERCHANT NAME	MCC	SLS. COUNT	CBK. COUNT	CBK. %	POTENTIAL PENALTY
[REDACTED]	5499	18,508	516	2.79%	\$51,600
ACCESSCLEANS	5499	13,709	891	6.50%	\$89,100
[REDACTED]	5966	9,345	375	4.01%	\$37,500
[REDACTED]	5966	6,655	395	5.94%	\$39,500
[REDACTED]	5966	6,294	365	5.80%	\$36,500
[REDACTED]	5966	6,340	342	5.39%	\$34,200
[REDACTED]	5966	7,860	508	6.46%	\$50,800
EZYKIT	5499	146,776	3,297	2.25%	\$329,700
[REDACTED]	5966	5,966	367	6.15%	\$36,700
[REDACTED]	5966	14,218	337	2.37%	\$33,700
[REDACTED]	5966	14,681	441	3.00%	\$44,100
[REDACTED]	5966	8,269	487	5.89%	\$48,700
HEALTHCLNS	5499	94,889	4,852	5.11%	\$485,200
[REDACTED]	5499	18,409	540	2.93%	\$54,000
IMPROVEHEALTH	5499	29,390	1,515	5.15%	\$151,500
[REDACTED]	5499	26,909	1,929	7.17%	\$192,900
[REDACTED]	5499	46,758	2,876	6.15%	\$287,600
PRISTINEHLTH	5499	38,470	5,826	15.14%	\$582,600
[REDACTED]	5499	22,079	570	2.58%	\$57,000
[REDACTED]	5499	18,735	498	2.66%	\$49,800
[REDACTED]	5966	8,922	479	5.37%	\$47,900
[REDACTED]	5966	6,966	340	4.88%	\$34,000
ULTIFRESHWELL	5499	64,820	5,815	8.97%	\$581,500
WELLBHEALTH	5499	37,381	2,274	6.08%	\$227,400
[REDACTED]	5499	47,086	3,087	6.56%	\$308,700
[REDACTED]	5966	7,582	335	4.42%	\$33,500
TOTAL WIRECARD		727,017	39,257	5.40%	\$3,925,700

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October 2009 data month

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ATTACHMENT R - p. 14

THE COMPLIANCE COUNCIL

GMCMP PROGRAMME APPEAL

DATA MONTH	Oct-09	FINES \$US	3,925,700
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ACQUIRER INFORMATION

VISA RM	Heike Mueller	
Acquirer Name	Wirecard bank AG	Acquirer BIN 424500
Acquirer Contact Name	Thomas Kaepfner / Oliver Nebelung	Acquirer BID
Acquirer E-Mail Address		Phone

MERCHANT INFORMATION

Merchant Legal Name	various	Address
Principal Name		
Title		
Date Merchant Account Opened		
Merchant Descriptors (Base I and Base II if differing)		The entity Processes through an IPSP
MCC		IPSP URL
Environment		The entity is an IPSP
Merchant URL		Is it Visa Registered?
Physical or Virtual Goods		Is it AIS Compliant?

BUSINESS MODEL

Continuity Programme
Membership Programme
Free trials
Other (Specify)

FRAUD PREVENTION TOOLS

VBV
CVV2
CVV2 Failure Process
Velocity Checking
Negative Listing
AVS
Other (Specify)

PRODUCT/SERVICES SOLD

MERCHANT GMCMP HISTORY

Month	Trans #	Cbk #	Cbk %	Fees US\$	Council Decision
Oct-09	727,017	39,257	5.40%	3,925,700	

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December 2009

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VISA 00340

ATTACHMENT R - p. 15

APPEAL
1. What are the circumstances that have caused the problem
2. Details of Merchant Action Plan
3. Key Timelines And Expected Timescales For Improvement/Resolution
4. Summary Of Attachments

I certify that this merchant has been notified and that we the Member bank are taking the appropriate actions to address the problem	
PRINT NAME	DATE

Review	The acquirer confirmed in writing that it would not appeal the penalties	
Levy Penalty	USD 3,925,700	
Waive		
Suspend for		
Council Decision		

GMCOMP - MANAGEMENT REPORT: Visa Europe
Excessive Chargeback Fee Notification

Report Month : November 2009

MERCHANT NAME	MEMBER NAME	SLS. COUNT	CBK. COUNT	CBK. %	Potential penalty
	AIB BANK	9,240	242	2.62%	\$24,200
	B+S CARD SERVICE GMBH	27,918	611	2.19%	\$61,100
	B+S CARD SERVICE GMBH	24,379	490	2.01%	\$49,000
	B+S CARD SERVICE GMBH	7,936	254	3.20%	\$25,400
	B+S CARD SERVICE GMBH	4,696	915	19.48%	\$91,500
	BANCA MONTE DEI PASCHI DI SIENA S.P.A.	668	260	38.92%	\$26,000
	BARCLAYS BANK PLC	976	209	21.41%	\$20,900
	HSEC BANK PLC	400	211	52.75%	\$21,100
	NORD/LE LATVIA ISC	9,901	1,327	13.40%	\$132,700
	NORD/LE LATVIA ISC	5,340	644	12.06%	\$64,400
	SERVIRED - La Caixa	11,683	786	6.73%	\$78,600
DM	SERVIRED - Caixa Catalunya	11,390	277	2.43%	\$27,700
	VISA ICELAND	6,268	640	10.21%	\$64,000
	VISA ICELAND	58,103	762	13.36%	\$76,200
	VISA ICELAND	22,457	1,266	5.64%	\$126,600
	VISA ICELAND	9,465	666	7.04%	\$66,600
	VISA SWEDEN ASSOCIATION - SEB	6,153	248	4.03%	\$24,800
	VISA SWEDEN ASSOCIATION - Swedbank	13,331	353	2.65%	\$35,300

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ATTACHMENT R - p. 17

	WIRECARD BANK AG	1,269	963	75.89%	\$96,300
	WIRECARD BANK AG	680	747	109.85%	\$74,700
	WIRECARD BANK AG	550	831	151.09%	\$83,100
	WIRECARD BANK AG	6,703	1,299	19.38%	\$129,900
	WIRECARD BANK AG	1,345	1,055	78.44%	\$105,500
	WIRECARD BANK AG	522	812	155.56%	\$81,200
	WIRECARD BANK AG	922	300	32.54%	\$30,000
	WIRECARD BANK AG	14,684	1,437	9.79%	\$143,700
	WIRECARD BANK AG	902	215	23.84%	\$21,500
	WIRECARD BANK AG	18,149	1,667	9.19%	\$166,700
	WIRECARD BANK AG	772	1,021	132.25%	\$102,100
	WIRECARD BANK AG	1,626	236	14.51%	\$23,600
	WIRECARD BANK AG	529	231	43.67%	\$23,100
	WIRECARD BANK AG	1,423	1,180	82.92%	\$118,000
	WIRECARD BANK AG	3,287	810	24.64%	\$81,000
	WIRECARD BANK AG	18,912	843	4.46%	\$84,300
	WIRECARD BANK AG	6,888	703	10.21%	\$70,300
ACCESSCLEANS	WIRECARD BANK AG	24,841	2,013	8.10%	\$201,300
ACCESSMEMBER	WIRECARD BANK AG	45,410	1,104	2.43%	\$110,400
BETTERDOTOX	WIRECARD BANK AG	25,353	949	3.74%	\$94,900
BEUTYCLUB	WIRECARD BANK AG	15,934	1,492	9.36%	\$149,200
	WIRECARD BANK AG	351	230	65.53%	\$23,000
ELITEPACK	WIRECARD BANK AG	126,774	5,961	4.70%	\$596,100
EZYKIT	WIRECARD BANK AG	76,724	4,879	6.36%	\$487,900
HEALTHCLINS	WIRECARD BANK AG	43,692	7,187	16.45%	\$718,700
HEALTHSMILE	WIRECARD BANK AG	13,390	1,166	8.71%	\$116,600
	WIRECARD BANK AG	6,028	531	8.81%	\$53,100
IMPROVEHEALTH	WIRECARD BANK AG	36,107	4,139	11.46%	\$413,900
	WIRECARD BANK AG	38,431	1,006	2.62%	\$100,600
	WIRECARD BANK AG	17,523	2,079	11.86%	\$207,900
	WIRECARD BANK AG	25,395	3,281	12.92%	\$328,100
	WIRECARD BANK AG	4,203	706	16.80%	\$70,600
PRISTINEHLTH	WIRECARD BANK AG	24,112	7,257	30.10%	\$725,700
	WIRECARD BANK AG	17,874	672	3.76%	\$67,200
	WIRECARD BANK AG	6,790	702	10.34%	\$70,200
	WIRECARD BANK AG	5,477	547	9.99%	\$54,700
	WIRECARD BANK AG	824	845	102.55%	\$84,500
ULTRIFRESHWELL	WIRECARD BANK AG	71,480	10,584	14.81%	\$1,058,400
	WIRECARD BANK AG	4,163	680	16.33%	\$68,000
VIBRANTBEAUTY	WIRECARD BANK AG	27,497	997	3.63%	\$99,700
WELLBHEALTH	WIRECARD BANK AG	20,969	3,298	15.73%	\$329,800
	WIRECARD BANK AG	25,370	3,581	14.12%	\$358,100
	WIRECARD BANK AG	17,515	731	4.17%	\$73,100
YOUTHSUPP	WIRECARD BANK AG	5,500	472	8.58%	\$47,200
TOTAL					\$8,143,900

Borrego Entertainment Ltd	3528	209	5.92%	\$20,900
Israel Credit Cards				

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Israel Credit Cards	2,679	463	17.28%	\$46,300
Israel Credit Cards	772	215	27.85%	\$21,500
Israel Credit Cards	3,410	756	22.17%	\$75,600
Israel Credit Cards	739	282	38.16%	\$28,200
Israel Credit Cards	4,960	213	4.29%	\$21,300
Israel Credit Cards	343	216	62.97%	\$21,600
Israel Credit Cards	8,035	343	4.27%	\$34,300
Israel Credit Cards	526	293	55.70%	\$29,300
Israel Credit Cards	269	200	74.35%	\$20,000
Israel Credit Cards	4,504	276	6.13%	\$27,600
Israel Credit Cards	1,992	252	11.65%	\$23,200
Israel Credit Cards	2,094	259	12.37%	\$25,900
Israel Credit Cards	2,550	282	11.06%	\$28,200
Israel Credit Cards	2,400	671	27.96%	\$67,100
Israel Credit Cards	2,529	1,595	63.07%	\$159,500
Israel Credit Cards	3,572	236	6.61%	\$23,600
Israel Credit Cards	1,614	524	32.47%	\$52,400
Israel Credit Cards	653	241	36.91%	\$24,100
Israel Credit Cards	54,963	2,996	5.45%	\$299,600
Israel Credit Cards	4,593	272	5.92%	\$27,200
Israel Credit Cards	1,961	533	27.18%	\$53,300
Israel Credit Cards	8,086	247	3.05%	\$24,700
Israel Credit Cards	38,652	950	2.46%	\$95,000
Israel Credit Cards	2,473	531	21.47%	\$53,100
Israel Credit Cards	2,563	605	23.61%	\$60,500
Israel Credit Cards	3,479	207	5.95%	\$20,700
Israel Credit Cards	6,494	234	3.60%	\$23,400
				\$1,408,100

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VISA 00327

ATTACHMENT R - p. 19

GMCMP
November 2009 data month

Report Month : November 2009

MERCHANT NAME	MEMBER NAME	BN	MCC	Region	SLS. COUNT	CBK. COUNT	CBK. %	Potential penalty
	WIRECARD BANK AG		5966	3	1,269	963	75.89%	\$96,300
	WIRECARD BANK AG		5966	3	680	747	109.85%	\$74,700
	WIRECARD BANK AG		5966	3	550	831	151.09%	\$83,100
	WIRECARD BANK AG		5966	3	6,703	1,299	19.38%	\$129,900
	WIRECARD BANK AG		5966	3	1,345	1,055	78.44%	\$105,500
	WIRECARD BANK AG		5966	3	522	812	155.56%	\$81,200
	WIRECARD BANK AG		5966	3	922	300	32.54%	\$30,000
	WIRECARD BANK AG		5966	3	14,684	1,437	9.79%	\$143,700
	WIRECARD BANK AG		5966	3	902	215	23.84%	\$21,500
	WIRECARD BANK AG		5966	3	18,149	1,667	9.19%	\$166,700
	WIRECARD BANK AG		5966	3	772	1,021	132.25%	\$102,100
	WIRECARD BANK AG		5966	3	1,626	236	14.51%	\$23,600
	WIRECARD BANK AG		5966	3	529	231	43.67%	\$23,100
	WIRECARD BANK AG		5966	3	1,423	1,180	82.92%	\$118,000
	WIRECARD BANK AG		5966	3	3,287	810	24.64%	\$81,000
	WIRECARD BANK AG		8999	3	18,912	843	4.46%	\$84,300
	WIRECARD BANK AG		5499	3	6,888	703	10.21%	\$70,300
	WIRECARD BANK AG		5499	3	24,841	2,013	8.10%	\$20,130
	WIRECARD BANK AG		5499	3	45,410	1,194	2.43%	\$11,940
	WIRECARD BANK AG		5499	3	25,353	949	3.74%	\$94,900
	WIRECARD BANK AG		5499	3	15,934	1,492	9.36%	\$149,200
	WIRECARD BANK AG		5499	3	351	230	65.53%	\$23,000
	WIRECARD BANK AG		5499	3	126,774	5,961	4.70%	\$596,100
	WIRECARD BANK AG		5499	3	76,724	4,879	6.36%	\$487,900
	WIRECARD BANK AG		5499	3	43,692	7,187	16.45%	\$718,700
	WIRECARD BANK AG		5499	3	13,393	1,166	8.71%	\$116,600
	WIRECARD BANK AG		5499	3	6,028	531	8.81%	\$53,100
	WIRECARD BANK AG		5499	3	36,107	4,139	11.46%	\$413,900
	WIRECARD BANK AG		5499	3	38,431	1,006	2.62%	\$100,600
	WIRECARD BANK AG		5499	3	17,523	2,079	11.86%	\$207,900
	WIRECARD BANK AG		5499	3	25,395	3,281	12.92%	\$328,100
	WIRECARD BANK AG		5499	3	4,203	706	16.80%	\$70,600
	WIRECARD BANK AG		5499	3	24,112	7,257	30.10%	\$725,700
	WIRECARD BANK AG		5499	3	17,874	672	3.76%	\$67,200
	WIRECARD BANK AG		5499	3	6,700	702	10.34%	\$70,200
	WIRECARD BANK AG		5499	3	5,477	547	9.99%	\$54,700
	WIRECARD BANK AG		5499	3	824	845	102.55%	\$84,500
	WIRECARD BANK AG		5499	3	71,480	10,584	14.81%	\$1,058,400
	WIRECARD BANK AG		5499	3	4,163	680	16.33%	\$68,000
	WIRECARD BANK AG		5499	3	27,497	997	3.63%	\$99,700
	WIRECARD BANK AG		5499	3	20,969	3,298	15.73%	\$329,800
	WIRECARD BANK AG		5499	3	25,370	3,581	14.12%	\$358,100
	WIRECARD BANK AG		5499	3	17,515	731	4.17%	\$73,100
	WIRECARD BANK AG		5499	3	5,500	472	8.58%	\$47,200
	TOTAL							\$8,143,900

Visa Europe Confidential

Confidential
VISA 00335

November 2009 data month
Wirecard Bank AG

Visa Europe Confidential

Confidential
VISA 00336

ATTACHMENT R - p. 21

THE COMPLIANCE COUNCIL

GMCMP PROGRAMME APPEAL

DATA MONTH	Nov-09	FINES \$US	8,143,900
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ACQUIRER INFORMATION

VISA RM	Heike Mueller	
Acquirer Name	Wirecard bank AG	Acquirer BIN 424500
Acquirer Contact Name	Thomas Kaepfner / Oliver Nebelung	Acquirer BID
Acquirer E-Mail Address		Phone

MERCHANT INFORMATION

Merchant Legal Name	various	Address
Principal Name		
Title		
Date Merchant Account Opened		
Merchant Descriptors (Base I and Base II if differing)		The entity Processes through an IPSP
MCC		IPSP URL
Environment		The entity is an IPSP
Merchant URL		Is it Visa Registered?
Physical or Virtual Goods		Is it AIS Compliant?

BUSINESS MODEL

Continuity Programme		FRAUD PREVENTION TOOLS
Membership Programme		VBV
Free trials		CVV2
Other (Specify)		CVV2 Failure Process
		Velocity Checking
		Negative Listing
		AVS
		Other (Specify)

PRODUCT/SERVICES SOLD

MERCHANT GMCMP HISTORY

Month	Trans #	Cbk #	Cbk %	Fees US\$	Council Decision
Oct-09	727,017	39,257	5.40%	3,925,700	Levied
Nov-09	806,890	81,439	10.09%	8,143,900	

Visa Europe Confidential

January 2010

Confidential
VISA 00338

ATTACHMENT R - p. 22

APPEAL

1. What are the circumstances that have caused the problem

2. Details of Merchant Action Plan

3. Key Timelines And Expected Timescales For Improvement/Resolution

4. Summary Of Attachments

I certify that this merchant has been notified and that we the Member bank are taking the appropriate actions to address the problem

PRINT NAME

DATE

Review

The acquirer confirmed in writing that it would not appeal the penalties

Levy Penalty

USD 8,143,900

Waive

Suspend for

Council Decision

From: Burtscher, Michael
Sent: Tuesday, September 08, 2009 5:55 AM
To: Snow, Geoffrey
Subject: ICC
Attachments: Farend Services Limited.zip

Importance: High

Hi Geoffrey

I managed to obtain some paperwork for VH ACCESS, HEALTHMEMBER, and WHITESMILE. I am waiting for the full information on all MIDs to do the roll-ups.

The MIDs for FAREND SERVICES Limited (the holding company) are:

Internet URL	www.cleanseuniversal.com	www.cellulitesolve.com	www.dietpomegranatepro.com	www.hollywoodtee
Industry	Natural Health Supplements	Natural Health Supplements	Natural Health Supplements	Natural Health Supplements
ICC code	Visa: 5912/MC: 5499	Visa: 5912/MC: 5499	Visa: 5912/MC: 5499	Visa: 5912/MC: 5499
Descriptor	WHITESMILE	BEAUTYPACK	HEALTHMEMBER	NUTRITIONALSU
City field	888-227-2950	888-868-7512	888-779-5303	888-433-4416

Kind regards,
Michael

Michael Burtscher | Compliance Management & Acceptance Risk | Visa Europe | T +44 (0)1189397275 | M +44
 (0)7501501829 | burtschm@visa.com

I/WE NOMILINK MANAGEMENT LIMITED

of 3 Athinodorou, Dasoupoli, 2025 Strovolos, Nicosia, Cyprus

HEREBY ACKNOWLEDGE and declare that I/WE hold the share(s) shown in the Schedule hereto registered in my/our name as Nominee(s) of and Trustee(s) for

Name: **Mrs. Evelyn Canonizado Domingo**

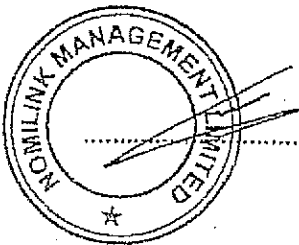
Address: **1214 Kahilom 2, Pandacan, Manila City, Philippines**

(hereinafter called "the Owner(s)") and I/WE UNDERTAKE and agree not to transfer, deal with or dispose of the said share(s) or any of them save as the Owner(s) may from time to time direct. And further to give full effect to the trust hereby declared I/WE HEREBY DEPOSIT with the Owner(s) the Certificate for the said share(s) together with a transfer thereof executed by us in blank and I/WE HEREBY EXPRESSLY AUTHORISE and empower the Owner(s) at any time to complete such transfer by inserting the name or names of any transferee or transferees and the date of the transfer and to complete the same in any other necessary particular. AND I/WE DECLARE that this authority is irrevocable by us. AND I/WE FURTHER UNDERTAKE and agree to account to the Owner(s) for all dividends and profits which may be paid to me/us from time to time upon the said share(s) and for all other money or profit which may be payable to me/us in respect thereof. AND I/WE FURTHER UNDERTAKE and agree to exercise my/our voting power as holder(s) of the said share(s) in such a manner and for such purposes as the Owner(s) may from time to time direct or determine.

SCHEDULE

Name of company	:	FAREND SERVICES LIMITED
No of share(s)	:	1000
Serial No of share(s), from	:	0001 to 1000
Nominal value of each share	:	€1,00
Nominal value of total shares	:	€1000
Date	:	27th May 2009

NOMINEE(S) AND TRUSTEE(S)



Witness to the signature
of Nominee(s) and Trustee(s)

[Signature]

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VISA 00238

ATTACHMENT S - p. 2

EVELYN C DOMINGO
#1214 KAHILON 2
PANDACAN
MANILA CITY
METRO MANILA

HERALDO

100-10627-4479

100-10627-4479

100-10627-4479

Service Info

Service ID Number	1214K2
Date	12/12/2010
Contract in the name of	EVELYN C DOMINGO
Service address	#1214 KAHILON 2 PANDACAN, MANILA CITY METRO MANILA

Payment Info

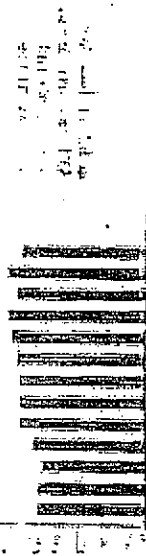
Bill Date	28 APR 2010
Bill Due Date	27 MAR 2010 to 26 APR 2010
Bill Due Date	01 MAY 2010
Total Pmt	121
Total Current Amount	P 2,000.00

Bill Summary

BILL SUMMARY	SUBTOTAL	REMARKS
CONNECTION	2,000.00	95.15
TRANSMISSION	10.00	10.00
SERVICE LOSS	10.00	10.00
DISCOUNT	10.00	10.00
TOTAL	2,000.00	100.00



Ang mga magulang ay dapat mag-organisa ng mga hakbang at endagang sa kanilang mga anak sa pagpapalaganap ng edukasyon. Ang mga magulang ay dapat mag-organisa ng mga hakbang at endagang sa kanilang mga anak sa pagpapalaganap ng edukasyon. Ang mga magulang ay dapat mag-organisa ng mga hakbang at endagang sa kanilang mga anak sa pagpapalaganap ng edukasyon.



**Merchant Application for acceptance of MasterCard,
Diners and Visa credit cards**

Company details	
Company name: FAREND SERVICES LIMITED	Street: 3 Athinodorou Street, 2025 Dasoupoli, Strovolos City: Nicosia Country: Cyprus, 2025
Incorporation number: 250382	Phone number: 22.678.944
Foundation date: May 27, 2009	Fax number :

Internet URL	www.cellulitesolve.com
Industry	Natural Health Supplements
MCC code	Visa: 5912/MC: 5499
Descriptor	BEAUTYPACK
City field	888-868-7512

Contacts	
Owner	Diana Andreou
Address	1 Agias Paraskevis, Katydata, Nicosia, Cyprus, 2835
Email address	info@treppides.com

Settlement	
Transaction currency	USD
Settlement currency	USD
Expected monthly volume amount	10,000.00

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VISA 00240

ATTACHMENT S - p. 4

Expected monthly transactions	900
-------------------------------	-----

Company Owner's Details

First Name: Diana
Last Name: Andreou
National ID: 886648
Street: 1 Agias Paraskevis, Katydata
City: Nicosia
State:
Country, zip code: Cyprus, 2835
Phone: 22.678.944
Email address: info@treppides.com

CEO's Details

First Name:
Last Name:
National ID:
Street:
City:
State:
Country, zip code:
Phone:
Email address:

Regards,
Ayelet fruchtlander

Confidential

ATTACHMENT S - p. 5

**Merchant Application for acceptance of MasterCard,
Diners and Visa credit cards**

Company details	
Company name: FAREND SERVICES LIMITED	Street: 3 Athinodorou Street, 2025 Dasoupoli, Strovolos City: Nicosia Country: Cyprus, 2025
Incorporation number: 250382	Phone number: 22.678.944
Foundation date: May 27, 2009	Fax number :

Internet URL	www.dietpomegranatepro.com
Industry	Natural Health Supplements
MCC code	Visa: 5912/MC: 5499
Descriptor	HEALTHMEMBER
City field	888-779-5303

Contacts	
Owner	Diana Andreou
Address	1 Agias Paraskevis, Katydata, Nicosia, Cyprus, 2835
Email address	info@treppides.com

Settlement	
Transaction currency	USD
Settlement currency	USD
Expected monthly volume amount	10,000.00

Confidential

VISA 00242

ATTACHMENT S - p. 6

Expected monthly transactions	900
-------------------------------	-----

Company Owner's Details

First Name: Diana
Last Name: Andreou
National ID: 886648
Street: 1 Agias Paraskevis, Katydata
City: Nicosia
State:
Country, zip code: Cyprus, 2835
Phone: 22.678.944
Email address: info@treppides.com

CEO's Details

First Name:
Last Name:
National ID:
Street:
City:
State:
Country, zip code:
Phone:
Email address:

Regards,
Ayelet fruchflander

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VISA 00243
ATTACHMENT S - p. 7

**Merchant Application for acceptance of MasterCard,
Diners and Visa credit cards**

Company details	
Company name: FAREND SERVICES LIMITED	Street: 3 Athinodorou Street, 2025 Dasoupoli, Strovolos City: Nicosia Country: Cyprus, 2025
Incorporation number: 250382	Phone number: 22.678.944
Foundation date: May 27, 2009	Fax number :

Internet URL	www.hollywoodteethwhitener.com
Industry	Natural Health Supplements
MCC code	Visa: 5912/MC: 5499
Descriptor	NUTRITIONALSUPP
City field	888-433-4416

Contacts	
Owner	Diana Andreou
Address	1 Agias Paraskevis, Katydata, Nicosia, Cyprus, 2835
Email address	info@treppides.com

Settlement	
Transaction currency	USD
Settlement currency	USD
Expected monthly volume amount	10,000.00

Confidential
VISA 00244

ATTACHMENT S - p. 8

Expected monthly transactions	900
-------------------------------	-----

Company Owner's Details

First Name: Diana
Last Name: Andreou
National ID: 886648
Street: 1 Agias Paraskevis, Katydata
City: Nicosia
State:
Country, zip code: Cyprus, 2835
Phone: 22.678.944
Email address: info@treppides.com

CEO's Details

First Name:
Last Name:
National ID:
Street:
City:
State:
Country, zip code:
Phone:
Email address:

Regards,
Ayelet fruchtlander

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VISA 00245

ATTACHMENT S - p. 9

**Merchant Application for acceptance of MasterCard,
Diners and Visa credit cards**

Company details	
Company name: FAREND SERVICES LIMITED	Street: 3 Athinodorou Street, 2025 Dasoupoli, Strovolos City: Nicosia Country: Cyprus, 2025
Incorporation number: 250382	Phone number: 22.678.944
Foundation date: May 27, 2009	Fax number :

Internet URL	www.dietgojiberry.com
Industry	Natural Health Supplements
MCC code	Visa: 5912/MC: 5499
Descriptor	VH ACCESS
City field	888-332-2707

Contacts	
Owner	Diana Andreou
Address	1 Agias Paraskevis, Katydata, Nicosia, Cyprus, 2835
Email address	info@treppides.com

Settlement	
Transaction currency	USD
Settlement currency	USD
Expected monthly volume amount	10,000.00

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VISA 00246

ATTACHMENT S - p. 10

Expected monthly transactions	900
-------------------------------	-----

Company Owner's Details

First Name: Diana
Last Name: Andreou
National ID: 886648
Street: 1 Agias Paraskevis, Katydata
City: Nicosia
State:
Country, zip code: Cyprus, 2835
Phone: 22.678.944
Email address: info@treppides.com

CEO's Details

First Name:
Last Name:
National ID:
Street:
City:
State:
Country, zip code:
Phone:
Email address:

Regards,
Ayelet fruchtländer

Confidential

VISA 00247

ATTACHMENT S - p. 11

**Merchant Application for acceptance of MasterCard,
Diners and Visa credit cards**

Company details	
Company name: FAREND SERVICES LIMITED	Street: 3 Athinodorou Street, 2025 Dasoupoli, Strovolos City: Nicosia Country: Cyprus, 2025
Incorporation number: 250382	Phone number: 22.678.944
Foundation date: May 27, 2009	Fax number :

Internet URL	www.cleanseuniversal.com
Industry	Natural Health Supplements
MCC code	Visa: 5912/MC: 5499
Descriptor	WHITESMILE
City field	888-227-2950

Contacts	
Owner	Diana Andreou
Address	1 Agias Paraskevis, Katydata, Nicosia, Cyprus, 2835
Email address	info@treppides.com

Settlement	
Transaction currency	USD
Settlement currency	USD
Expected monthly volume amount	10,000.00

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VISA 00248

ATTACHMENT S - p. 12

Expected monthly transactions	900
-------------------------------	-----

Company Owner's Details

First Name: Diana
Last Name: Andreou
National ID: 886648
Street: 1 Agias Paraskevis, Katydata
City: Nicosia
State:
Country, zip code: Cyprus, 2835
Phone: 22.678.944
Email address: info@treppides.com

CEO's Details

First Name:
Last Name:
National ID:
Street:
City:
State:
Country, zip code:
Phone:
Email address:

Regards,
Ayelet fruchtlander

Confidential
VISA 00740

ATTACHMENT S - p. 13

To:
Israel Credit Cards Ltd., and Paygen Ltd.
RE: Bank of Israel New Anti-Money Laundering Regulations

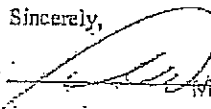
Re: Agreement between Israel Credit Cards Ltd., and Paygen and FAREND SERVICES LIMITED,
(hereinafter "the Merchant") (hereinafter "the Agreement")

Since I am licensed to act as an advocate of the Merchant,
I hereby confirm to you as follows:

1. I confirm that the name of the Merchant is FAREND SERVICES LIMITED.
2. I confirm that the identifying number of the Merchant at the place of its incorporation is 250382.
3. I confirm that the official date of incorporation of the Merchant is 27/05/2009.
4. The present address of the Merchant is 3 Athinodorou Street, 2025 Dasoupoli, Strovolos, Nicosia, Cyprus A
5. I confirm that the bank account number of which is [REDACTED] at Nicosia branch at Laiki bank in Cyprus is registered in the name of the Merchant, on which Kikas Treppides is/are the authorized signatory.
6. The guarantor of the Merchant is/are (OPTIONAL): B
a. Ms. Diana Andreou
b. _____
Attached hereto a copy of guarantor(s)' i.d/passport/incorporation certificate.
7. Attached hereto are certified copies of the Merchant's incorporation certificate and documents of incorporation. C
8. I confirm that the Merchant is a registered and active company of the details of which are set forth above.
9. I confirm that the Merchant duly passed a resolution on 11 June 2009 to sign the Agreement.
10. I confirm that the list of the duly authorized signatories on behalf of the Merchant:
a. Ms. Diana Andreou
b. _____
c. _____
11. The details (name, address, ID number, occupation etc) of the principals of the Merchant (not included under Paragraph 10 above) are:
a. Ms. Diana Andreou, 1 Agias Paraskevis, 2835 Katydata, Nicosia, Cyprus, having and ID Number 886648
b. _____
c. _____

12. I do hereby confirm that on 11 June 2009 the following director Ms. Diana Andreou D, who identified her/him/themself/vs with passport copy E, did hereby appear before me, and signed the Agreement and the declaration below before me.

Sincerely,


MICHAEL K. PHILIPPOU
ADVOCATE
Michael Philippon
Advocate

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VISA 00250

ATTACHMENT S - p. 14

To
Israpel Credit Cards Ltd., and Paygea Ltd.

Re: Agreement between Israel Credit Cards Ltd., and Paygea Ltd. and FAREND SERVICES
LIMITED,
(hereinafter "the Merchant") (hereinafter "the Agreement")

We hereby confirm to you as follows:

1. Mr./Ms. Diana Andreou represents us regarding the Agreement.

2. The beneficiaries *G* of the Merchant are *H*:

a. NOMILINK MANAGEMENT LIMITED

b. _____

c. _____

3. The controlling persons/entities of the Merchant are *I*:

a. Ms. Diana Andreou

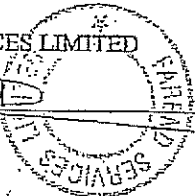
b. _____

c. _____

Merchant: FAREND SERVICES LIMITED

Date: 11 June 2009

By: _____



A- Full address

B- Name + i.d./passport number + birth/incorporation date + gender + address.

C- For these purposes, "certified copy" means a copy certified by an Israeli attorney, or if what is involved is a foreign corporation, which has been certified by an attorney holding a license to practice law in that country; a copy certified by the authority which issued the document; an Israeli diplomatic or consular representative abroad; or an official of a banking corporation to whom the aforesaid document has been exhibited.

D- Date & Names.

E- Identifying document should include picture

F- The advocate that executed the above confirmation

G- "Beneficiaries" - for whom the Merchant is acting, and if the same is/are not a "person" - the controlling entities/persons of the same. "Control" - the ability to direct the activity of a corporation, not inclusive an ability resulting only from acting as director or other officer of the corporation.

H- Name + i.d./passport number and all the controlling entities going up to a person.

I- Name + i.d./passport number or name + birth/incorporation date + birth/incorporation country, and all the controlling entities going up to a person in the country of incorporation.

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VISA 00251

ATTACHMENT S - p. 15

From: Leidenthal, Robin
Sent: Tuesday, February 23, 2010 6:47 AM
To: Elliott, Martin; Aafedt, John; Snow, Geoffrey
Subject: FW: 2CO Account Summary
Attachments: MeS-2CO Supplement Account Summ.pdf; 2CO SUMMARY.pdf; ALL PROCESSING PORTFOLIO.pdf; WDB - H&B Portfolio Sep09 - 091125A.pdf; WDB - H&B Portfolio Oct09 - 091125A.pdf; Interim Agreement_Pashe Marketing.pdf; GUIDELINES FOR COMPLIANCE FINAL.pdf

From: Sharif Bayyari [mailto:SBayyari@merchante-solutions.com]
Sent: Monday, February 22, 2010 2:45 PM
To: WADE BURFORD; Amy Crews
Cc: Jim Aviles; Craig Gass
Subject: FW: 2CO Account Summary

Wade ,Amy,

Here the the Documentations visa had requested. If you need more info please let us know.

CONFIDENTIALITY NOTICE: This message and any attachments may contain information that is privileged and confidential. If you have reason to believe that you are not the intended recipient or a person responsible for delivering this message to an intended recipient, you are hereby notified that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have reason to believe that you are not the intended recipient or a person responsible for delivering this message to an intended recipient, please contact the sender immediately by reply email and destroy all copies of the original message.

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PRIVILEGED AND CONFIDENTIAL

2CO Supplement Account

Around mid-November I received a call from Kristin Dach at 2CO. They were considering opening a new 2Checkout account for some supplements suppliers. I also received a call from Tom Dailey around that time about this new account. I informed him that we had some accounts of this nature, Syndero being the largest, and that the primary risk associated with these accounts was containment of chargebacks -- which meant sound marketing, good customer service, and the immediate issuance of refunds through the service center. Both indicated that in using the 2CO infrastructure they would be able to control the cardholder experience, ensure fulfillment and control customer service.

I believe the Monday before Thanksgiving or the Monday before that, I participated in a conference call with 2CO, their new supplier (I know Dee and Dan Sullivan were present) and also Bryan Baumgartner. During this meeting, I was introduced to Dee and Dan and we spent the meeting discussing plans on containing chargeback exposure. Dee explained that he had been working with Bryan on putting together a "white paper" on how they would change the continuity business model to avoid the high chargebacks that have come with it. Bryan introduced himself as consulting with Dee and being a former Visa employee. I knew Bryan by reputation as he had been the person on the ARP report that CB&T had shared with us back in September or October. Bryan and Dee walked through the document at a high level. Dee further explained that he had received agreements from his partners and the affiliate marketers to follow these new principles. I have attached the "white paper" that Dee and Bryan spoke of on this call as it was later provided to me by 2CO.

Based upon 2CO's good track record, knowing they have a good operation for controlling chargebacks and based upon the process developed by the supplier in conjunction with Bryan Baumgartner, we allowed the account to be established.

In retrospect, there are lessons learned from this account: 1) We should have treated the 2CO account not as an "additional" account from an existing merchant but rather as a new merchant account all together. 2) We should have pulled the TMF reports for all the suppliers, just like we do for all new accounts. The report would have shown the suppliers had a history of excessive chargebacks, however we knew from prior processing statements that they had excessive chargebacks (slightly below 4%) which had already prompted the concern and the discussion noted above. 3) Most critically, we should have shut the account down much faster based on the immediate chargeback velocity. This would have shortened the timeframes for which we processed.

Merchant e-Solutions, Inc.

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2Checkout.com, Inc.
Supplemental Account Summary (2CSup)

Introduction

Following a meeting at VISA's offices on Tuesday, February 16, 2Checkout.com, Inc. (2CO) was requested to provide additional documentation discussing the introduction to and subsequent accommodation of transactions associated with various entities conveyed to Merchant e-Solutions (MeS) under the MID descriptor "2CSup."

Approach

On or about November 13, I received a text message from Jeff Foster concerning a potential account with \$20m a month in sales volume.

I, and others at 2CO, have a long-standing relationship with Mr. Foster. He had provided software and gateway services solutions to the company in 2002 while working with Retail Decisions (ReD) and was very familiar with 2CO's product offering. He left ReD and started his own consulting/ISO/referral business, PayVentures.

I spoke with Mr. Foster over the course of the weekend about the opportunity. He stated that the transactions had been with CAL (an Israeli acquirer) but that CAL was experiencing difficulties arising from multiple sources and this organization had been advised to find a new partner. They had moved their VISA book of business to Wirecard but had not made significant enough inroads into chargeback utilization and could benefit significantly from 2CO's involvement in the sales process due to the layers of fraud monitoring and service provided.

2CO requested chargeback utilization and a greater understanding of the issues faced and the products being sold.

On November 20, 2009, 2CO called an "all hands on deck meeting" to discuss the opportunity.

At this meeting, preliminary assignments were created and distributed to various working teams dependent upon the job being assigned. For example, the risk department (PST) was assigned with reviewing URL websites for any FTC violations or unacceptable disclaimers, statements, warranties, or medical claims. Product support staff (PS) were assigned the job of analyzing each site to determine recurrent billing patterns and site language/integration issues.

We received the first "wave" of URL's that purportedly represented 80% of transaction volume via Mr. Foster on this date as well.

In short, 2CO approached this opportunity as products that were eligible for integration under our standard or traditional business model.

Interim Book

Again, these accounts were being vetted as standard 2CO accounts boarding through standard protocols, underwriting, site review, product analysis, etc.

Additionally, I sent an email to Jim Aviles at Merchant e-Solutions on November 20, 2009 regarding a potential surge in utilization.

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Additionally, on November 21, 2CO began raising the "top heaviness" issue. Up until this point, it had not been clarified that these were all affiliated products with "one" owner upstream. We were initially led to believe that Mr. Foster had a lead into several merchants who were seeking an alternative to CAL. Obviously, bringing on many accounts that total \$20 million in monthly sales volume was significantly different from bringing on one merchant with subaccounts totaling the same volume.

This issue was raised almost simultaneously with the identification of customer dissatisfaction issues. We forwarded these findings to MeS as well.

Site review revealed that significant modification would need to be made to each site and 2CO would also have to commit some development time to adjustments to its standard recurrent billing software before accounts could be boarded traditionally. This raised the issue of what would happen to utilization in the interim period while technological changes were in development.

Payment processing through 2CO's existing merchant account was not an option. Our charter with MeS for the 2CO.com utilization requires 2CO to take ownership of the products, services, transactional data, fraud, PCI compliance and customer service augmentation.

This obviously would not be possible during any interim period wherein 2CO was not handling the transaction other than as a conduit via our existing integration with MeS.

It was at this point that the idea to set up a separate MID for the purposes of conveying a brief window for processing was initiated and a separate line of discussion regarding past chargeback utilization, principals and negative chargeback utilization cures was started.

Underwriting

The entire review period up to the decision to set up an interim processing arrangement consisted of underwriting.

Each site was scrubbed for unacceptable language, clarity of offering, and site integration issues.

Testing for use of 2CO's API was started.

The attached files were submitted as utilization.

Additionally, additional credibility was provided to the group due to:

- a) Their willingness to come on site at 2CO for introduction of key personnel on both sides of the table;
- b) The formation of a charitable foundation by the owner of the group, Dee Agarwal, with both President Bush as well as President Clinton in attendance;
- c) The ongoing participation of Wirecard Bank (Munich) in the conveyance of activity to 2CO/MeS;
- d) Access to call center and CRM;
- e) Up-to-transition date activity at Merrick.

Original utilization showed a high level of chargeback activity but steps were allegedly being taken to cure the issues causing the high level of cardholder dissatisfaction.

Conclusion

2CO saw this as a tremendous opportunity to 'clean up' this book of business. From acceptable site presentation to the addition of multi-layer anti-fraud techniques to the removal of card data from the

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hands of the merchant manufacturers, 2CO would have provided an additional and thorough layer of protection to cardholders, issuers and upstream partners.

Again, 2CO has a long and vibrant history with VISA. We have long been advocates of Verified by VISA, were the first 100% CNP merchant at Paymentech to meet the original PCI compliance deadline (May 2005), have contracted with VISA under a MSA to provide pilot and proof-of-concept services for both Verified by VISA augmentation as well as 3rd-party transaction verification and have done so at a very beneficial cost.

We take a collective and industry-wide approach to fraud through our partnerships with entities like VISA, The 41st Parameter and Ethoca. Both of these companies are authorized to share 2CO chargeback and fraud utilization in an effort to make the internet a safer place to shop and to afford brand and consumer protection at every level of the transaction process and as an integral part of each and every transaction itself. Additional scrutiny is and has been provided by G2 Services to ensure that products and services being presented for sale are accurate and violate neither association prohibitions nor those of 2CO.

The involvement of "specialists" like Mr. Foster, Mr. Agarawal and Mr. Bryan Baumgartner as well as the ongoing participation of Wirecard were key components of the level of trust developed throughout the process. I have staff confirming the initial date when Mr. Baumgartner was brought to our attention but it is worthwhile noting that separate discussions with Mr. Foster may have occurred in which his involvement may have been made apparent prior to 2CO's notice.

We, in short, are our brand here at 2CO. We take great pride in our business and our involvement in activity of this nature is appalling. In the future, no interim business will be permitted and we are certainly going to take a much more dubious approach to opportunities of this kind – no matter how beneficial 2CO's role may appear to be.

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**INTERIM AGREEMENT
FOR
MERCHANT TRANSACTIONS**

THIS INTERIM AGREEMENT FOR MERCHANT TRANSACTIONS ("Agreement") is entered into, by and between **Pashe Marketing, Inc.**, an entity organized under the laws of Panama, with its principal place of business at Balboa Avenue and 41st Street, IPASA Bldg, 3rd Floor, Panama City, Panama ("Company") and **2Checkout.com, Inc.**, with its principal place of business at 1785 O'Brien Road, Columbus, Ohio 43228 ("2CO"). Company and 2CO shall each be referred to herein as a "Party" and collectively as "Parties." This Agreement shall become effective upon signing by or on the behalf of 2CO ("Effective Date") and supersedes any previous and like agreement between the Parties.

WHEREAS, Company and 2CO intend to enter into a long term agreement wherein 2CO's Merchant Processor, Merchant e-Solutions, Inc. ("MeS") will process debit and credit card transactions for any card association ("Card Associations") received from Company and the merchants Company supports ("Transactions"); and

WHEREAS, Company is a valid Merchant, registered with the Card Associations ; and

WHEREAS, Company has several Transactions that occurred, but have not yet been processed by an acquirer; and

WHEREAS, the Transactions are still eligible to be processed in compliance with Card Association requirements and applicable laws; and

WHEREAS, 2CO is willing to transmit such Transactions, and other bona fide Transactions which occur during the term of this Agreement to MeS for processing; and

NOW, THEREFORE, 2CO and Company, in consideration of the covenants of this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, and the Parties intending to be legally bound, agree as follows:

1. Company will deliver all data for its outstanding Transactions to 2CO for processing by MeS.
2. Company represents and warrants that such transactions are bona fide Transactions and are eligible to be processed through the applicable Card Association.
3. 2CO will transmit the data for such Transactions to MeS for processing.
4. Company will pay 2CO those fees and charges listed on Schedule A for the services to be provided to Company.

5. Company shall be responsible for all chargebacks, refunds and other reversals of any of the Transactions and fees associated such chargebacks and refunds and the same shall be deducted from the Reserve (defined below). If funds are not available in the Reserve, Company shall immediately pay 2CO the balance upon demand.
6. Company shall indemnify and hold 2CO harmless from all losses, costs, fines, expenses and all direct, indirect, consequential, incidental and exemplary damages, incurred by 2CO as a result of Company's failure to perform its obligations hereunder.
7. 2CO may, from time to time during the term of this Agreement, in its sole discretion, audit Company's operations and transaction records provided by Company to determine whether Company is performing in accordance with its obligations hereunder. Such audits shall be at 2CO's expense unless Company is not performing as agreed. In the event Company is not performing as agreed, the costs and expenses incurred by 2CO to conduct the audit shall be reimbursed by Company.
8. In the event 2CO determines, as the result of an audit or otherwise, that Company is not performing its obligations hereunder as agreed, 2CO will grant a 72 hour notice period to Company to provide sufficient time to modify its performance to comply fully with its obligations. If Company fails to modify performance to meet obligations fully, 2CO may immediately terminate this Agreement and cease any negotiations for a long term agreement. If 2CO terminates the agreement 2CO will pay all funds due to Company immediately, minus the remaining balance of the Reserve. Company's obligation to pay any fees, charges, fines, penalties, chargebacks, or refunds which are or may become due following the termination of this Agreement shall survive the termination and be due and payable immediately upon demand by 2CO if they exceed the reserve.
9. EXCEPT FOR A BREACH OF SECTION 12 BY EITHER PARTY AND COMPANY'S OBLIGATIONS UNDER SECTIONS 4, 5, 6, AND 8, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES (INCLUDING LOSS OF DATA, BUSINESS INTERRUPTION OR LOST PROFITS) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, FOR THE INABILITY TO USE SERVICE PROVIDER SERVICES, OR FOR ANY ERRORS OR DEFECTS IN SERVICE PROVIDER SERVICES, WHETHER SUCH LIABILITY ARISES FROM A CLAIM BASED UPON CONTRACT, TORT OR OTHERWISE, AND WHETHER OR NOT EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. IF APPLICABLE LAW PROHIBITS CERTAIN LIMITATIONS ON LIABILITY, THE SCOPE OF THE LIMITATIONS IN THIS SECTION 10 WILL APPLY AS FULLY AS PERMISSIBLE UNDER APPLICABLE LAW.
10. During the term of this agreement, the Parties shall negotiate in good faith for the establishment of a long term processing agreement regarding the Transactions of Company.

11. This Agreement shall be effective on the date of the signature of the 2CO representative ("Effective Date") and shall continue until the expiration of 30 days from the Effective Date, or the execution of a long term agreement between the Parties, whichever occurs first ("Term").
12. "Confidential Information" includes information of a commercial nature related to a Party, information related to a Party's customers or consumers, and the provisions of this Agreement. Both Parties agree now and at all times in the future that all such Confidential Information shall be held in strict confidence and disclosed only to those employees or agents whose duties reasonably require access to such Confidential Information. Neither party shall use the Confidential Information of the other party except to perform its duties under this Agreement. 2CO and Company shall protect such Confidential Information using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure or duplication (except as required for backup systems) of such Confidential Information as 2CO or Company uses to protect its own Confidential Information. Confidential Information shall not include any portion of such information that the receiving party can establish by clear and convincing evidence to have been publicly known without breach of this Agreement; or known by the receiving party without any obligation of confidentiality, prior to disclosure of such Confidential Information; or received in good faith by the receiving party from a third-party source having the right to disclose such information. Upon the disclosing Party's request, the Party receiving Confidential Information will promptly return or destroy, as directed, all Confidential Information in the Receiving Party's possession or control. A Party may retain a copy of the Confidential Information of the other Party to the extent the receiving Party is required to do so by applicable law or regulation. Before release of any Confidential Information of the other Party to any third party the Parties must agree on the nature and content of the Confidential Information to be released. Provided, however, that if either Party is required by a court or governmental agency having proper jurisdiction to require the disclosure of Confidential Information, the Party making such disclosure may do so without obtaining the consent of the other Party, but shall promptly provide notice of the demand for release of Confidential Information to the other party so that such party may seek to obtain an appropriate protection order.
13. Any notices required or permitted to be given by one Party to the other under this Agreement shall be (1) hand delivered, or (2) sent by first class or certified; postage prepaid United States Mail, or (3) sent by overnight carrier to the Party receiving the notice at the address set forth in the first paragraph of this Agreement.
14. Neither Party may assign its rights and responsibilities under this Agreement without the prior written consent of the other Party. Any assignment or attempted assignments in violation of this clause are null and void.

15. If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.
16. The failure by any Party to exercise any right provided for herein shall not be deemed to be a waiver of any right hereunder.
17. This Agreement sets forth the entire understanding of the Parties as to its subject matter and may not be modified or amended except in a writing executed by both Parties.
18. The Parties acknowledge and agree that this Agreement shall not preclude 2CO from entering into similar agreements with other parties.
19. This Agreement shall be governed by the laws of the State of Ohio and the state and federal courts located in the City of Columbus, Franklin County, Ohio shall have exclusive jurisdiction of any claim of action filed by either party. Both parties hereby submit to the jurisdiction of the state and federal courts in the State of Ohio. Both parties hereunder waive their respective rights to a trial by jury.
20. All Parties agree to comply with all applicable laws and regulations, including without limitation, the rules and regulations of the Card Associations. Each Party may rely on the other Parties' compliance with all applicable laws, rules and regulations. Violation of applicable law, rule or regulation by a Party which allows or permits said Party to take any action under or pursuant to this Agreement which such Party would not otherwise have been able to do or take, shall constitute a breach of this Agreement.
21. Sections 4, 5, 6, 9, 12 and 19 shall survive the termination of this Agreement.
22. For each transaction, 2CO will release funds to Company in accordance with Schedule A. The parties agree that this Agreement encompasses the processing of high-risk transactions and that the fees charged to Company and the Reserve has been negotiated with the contemplation of such risks.

IN WITNESS WHEREOF authorized representatives of each of the Parties have executed this Agreement as of the Effective Date.

2CO

By: 

David A. Homewood

Title: CEO

Date: December 1, 2009

Company

By: 

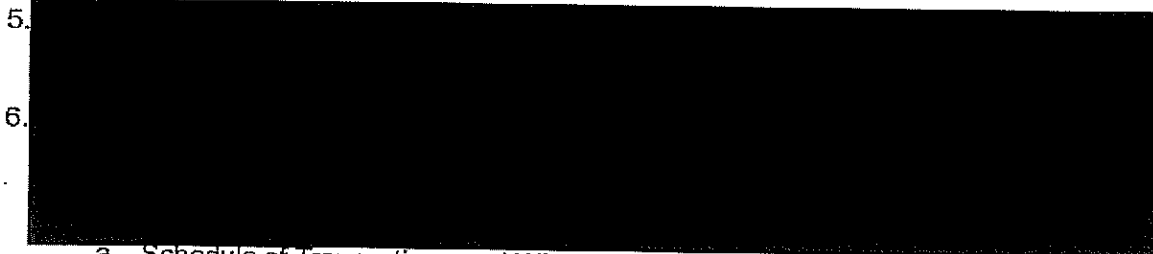
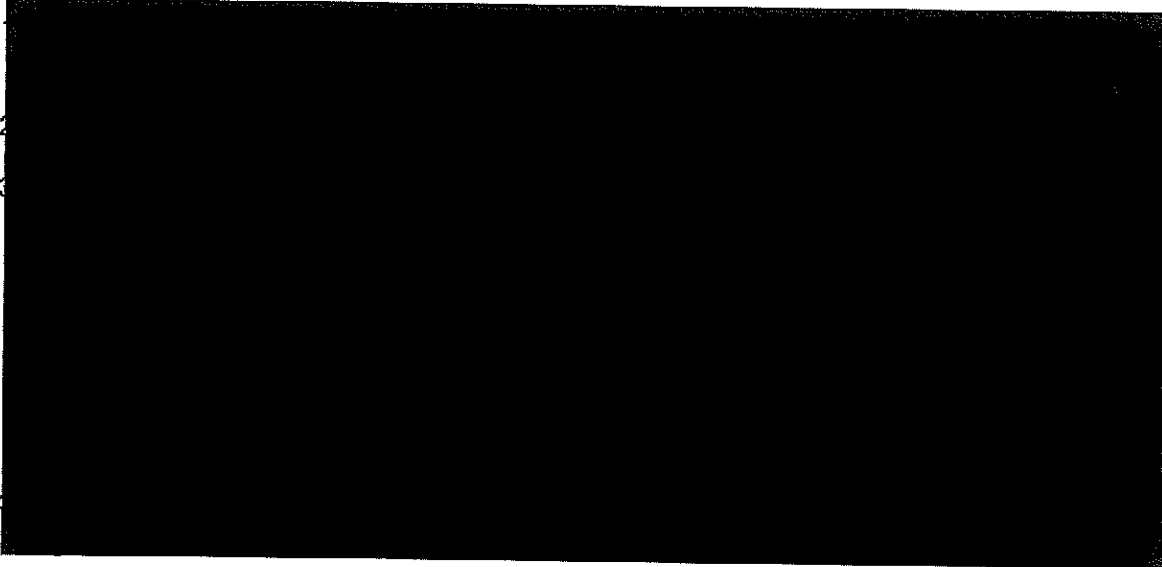
Daniel J. Sullivan

Title: CFO

Date: December 1, 2009

SCHEDULE A

Service Fees



a. Schedule of Transactions and Wire Dates

- i. Transactions from Nov. 30 to Dec 2, Wired Dec. 4
- ii. Transactions from Dec. 3 to Dec. 6, Wired Dec. 8
- iii. Transactions from Dec. 7 to Dec. 9, Wired Dec. 11
- iv. Transactions from Dec. 10 to Dec. 13, Wired Dec. 15
- v. Transactions from Dec. 14 to Dec. 16, Wired Dec. 18
- vi. Transactions from Dec. 17 to Dec. 20, Wired Dec. 22
- vii. Transactions from Dec. 21 to Dec. 22, Wired Dec. 24
- viii. Transactions from Dec. 23 to Dec. 27, Wired Dec. 29
- ix. Transactions from Dec. 28 to Dec. 29, Wired Dec. 31

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- x. Transactions from Dec. 30 to Jan 3, Wired on Jan 5.
- b. In the case of termination all funds due will be wired at the next payment period. For example, if termination occurs on Saturday all funds must be released Monday. No additional holdbacks or reserves are permitted, as the Reserve is the entire reserve and is sufficient to cover full exposure except as defined in Para. 3. of this schedule.

GUIDELINES FOR COMPLIANCE WITH NEGATIVE OPTION MARKETING

Purpose

Strengthening of compliance with regards to negative option marketing has been identified as a key issue. These guidelines provide approaches to enhance compliance with FTC guidelines, recognizing that these guidelines have been negotiated in a unique way to provide fair, balanced, and reasonable arrangements for a competitive marketplace. The purpose of this document is to assist Advertisers, Networks, and its affiliates in enhancing industry compliance and providing direction within negative option marketing.

Compliance

An effective compliance regime relies, among other things, on the ability of the industry to adhere to these voluntary guidelines. An effective compliance regime can minimize the need for intervention from outside regulators, and can ultimately ensure a sustainable marketplace.

Billing Practices

I. Terms Disclosure

- a. The disclosure of the negative option must be clearly and conspicuously disclosed.
 - i. The terms must be appended adjacent to the call to action button confirming the order. This price must be within 100 pixels in numbers between the top and bottom edges of the call to action order button.
 - ii. The terms must be in a minimum of 12 pt font, with WCAG Color Contrast and W3C Contrast > 125.
 - iii. There must be no visually distracting graphics from the display of the terms.
- b. Verbiage must plainly state the enrollment into the membership without distraction.
 - i. Acceptable disclosure: "By Clicking "Order" you agree to be enrolled in the ____ day trial for ____, and after the trial expires, you agree that your card will be charged \$____ per month until you cancel."
 - ii. Pre-checked boxes as terms and conditions should never be used.
- c. The price point for the product(s) sold must be within reasonable "fair market value."
- d. Billing cycles must not bill the customer the "core" price point twice in a 30-day span.

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- i. Example of an acceptable billing cycle. Day-1 Customer signs up for a 14-day trial and is charged the initial S&H. Day 17 customer is billed for the initial trial shipment. Day-47 customer is billed for the second month shipment of the product.
 - e. False guarantees about full money back, or full satisfaction are prohibited unless the offer provides a full refund on all merchandise, including but not limited to shipping and handling.
- II. Upsell Policies:
 - a. Upon acquiring a consumer the goal is to provide the consumer with a user experience that will leave the consumer happy. The goal is not to enroll the consumer into more than one recurring program. Hence for the guidelines below.
 - i. Forced upsells are prohibited.
 - ii. Upsells that recur are prohibited
 - iii. One time upsells are allowed providing the price point is clearly disclosed and the consumer affirms and is aware of the transaction.

Advertising Practices

- III. Marketing Creative
 - a. Marketing of a product as "Free", "Risk-Free" or stating that the product(s) marketed doesn't cost anything is prohibited if customers will be paying at the end of a trial for the product or entered into a membership program that has recurring billing.
 - b. Images of celebrities are prohibited from use without express written consent of the entity being published.
 - c. By law, product claims must be truthful and not misleading. Claims made must substantiated by the formulas used in the product(s) marketed and the clinical research conducted to support it.
 - i. Claims prohibited from use include: "Flushes Pounds", "Flushes Toxins", "Builds Muscle" (General terms such as "Get Ripped" or "Get Pumped" are acceptable)
 - ii. Phrases prohibited from use include:
 - 1. Stating a product will cause permanent weight loss.
 - 2. Telling a customer that they will be able to lose more than three pounds per week for more than four weeks.
 - 3. Stating a product will cause substantial weight loss no matter what or how much the consumer eats.
 - 4. Stating a product will make you lose a specific amount of weight loss in a specific amount of time.
 - 5. Causes weight loss or muscle growth in specific body parts. (Stomach, Belly, Thighs, etc.)
 - 6. Can substitute a full income job.
 - 7. Can earn you money with little to no effort at all.

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8. Can earn you a specified amount of money in a specified amount of time.
 9. Will instantly earn money with no investment or effort.
 10. Will give you access to "free money."
 11. Is endorsed or at all associated with Obama or the government
 12. Will secure a job for you at another company or at the product's company.
 13. Has been successfully used by an unrealistic amount of people.
 14. Stating a product will earn you hundreds of thousands or millions of dollars.
 15. Starting a product will instantly earn you money with no effort or investment.
- iii. Blogs used, as a promotion means must be honest and accurate of the endorsee in compliance with FTC guidelines. Otherwise, clearly and conspicuously shown as an advertisement or that the story is fictional in the event the blog is fake.
 - iv. News Sites used as a promotion means must clearly and conspicuously alert the consumer that it is an advertorial in addition to following FTC guidelines.
 - v. The use of a false sense of urgency is prohibited unless the customer's ability to order is genuinely taken away.
 1. This offer is only available for a limited time.
 2. Count down clocks that "reserve" the product.
 3. Offer expires today.
 - vi. Qualifications for trials should follow pre determined rules that disqualify customers who don't meet such parameters including but not limited to: Age, Weight, Height, Location.

IV. Endorsements

- a. Any endorsement relaying the experience of a user must reflect the true and honest opinions of the endorsee.
 - i. If the endorsee is paid or any compensation is given out of the ordinary, it must be indicated clearly.
- b. Endorsements provided must provide a clear picture of what users of the product will generally achieve, if the advertiser does not have substantiation for that claim, then the advertiser must clearly disclose what the generally expected results would be, and have substantiation for those claims.

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Customer Support Practices

- V. Customer Support
- a. Merchants must provide customers with multiple outlets for cancellation.
 - i. Phone
 - ii. E-Mail
 - iii. Chat
 - b. Customer support must operate within reasonable hours in the region the product was sold.
 - c. Customer support must have hold times less than 120 seconds.
 - d. Customer support should be easily accessible.

Fulfillment Practices

- VI. Fulfillment Services
- a. Products ordered must be executed for fulfillment in a timely manner. As a general rule, product must be shipped within 48 hrs (business days) from the date ordered.
 - b. A customer service number must be clearly included in the invoice sheet.
 - c. Delivery confirmation with tracking is recommended.
 - d. Merchants should strive to provide a product that provides tremendous value perception to the consumer.

Distribution Practices

- VII. Distribution Practices
- a. Affiliate networks will keep offers private so they can hold their affiliates accountable for how the offers are run.
 - i. Affiliate networks will be expected to go over all rules in regards to promotion before an affiliate is able to run any offer provided.
 - b. In the instance that two offers are run on one site they must be from the same merchant.
 - c. Offers run on sites promoted must not exceed two complimentary offers.
 - i. Networks must coordinate with the merchant to see which offers can be promoted jointly.
 - ii. I.E the "Biz Opp" vertical will require that only one offer be run on a site promoted.
 - iii. The Teeth vertical will require that only one offer be run on a site promoted.
 - iv. The diet vertical will allow two offers to be promoted such as Acai/Colon.
 - d. It is encouraged that affiliates sell the terms to the consumers so they are fully aware of the commitment they are entering into.

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Negative Option Compliance Summary

ADVERTISING

1. Free-Trial: No marketing of the product as free or risk-free
2. Celebrity Endorsements: Images of celebrities are prohibited from use without express written consent of the entity being published
3. Product Claims: By law, product claims must be truthful and not misleading. Claims must be substantiated by the formulas used in the product(s) marketed and the clinical research conducted to support it.
4. Marketing Blogs:
 - a. Please see detailed compliance guide for compliance guidelines in regards to blogs and news sites.
 - b. If two products are offered on a dual blog, the same company or subsidiary must sell both products to reduce customer confusion.
 - c. Dual blogs cannot be used for products such as teeth whitening
5. Timers / False Counters: Generating a false sense of urgency through timers, limited time offers and product counters are prohibited unless the customer's ability to order the product is genuinely taken away.

BILLING PRACTICES

1. Disclosure of Terms: The negative option renewal must be clearly disclosed in at least size 12 font and must be located between the top and bottom edges of the "call to action" button
2. Terms and Conditions: T & C's must be FTC compliant and contain all required information and disclosures.
3. Timing of Billing: Billing cycles must not bill the customer the "full" product price twice in a 30-day period. (i.e. Day 1 Trial, Day 15, Day 45 not Day 30)
4. Rules for Up-sells:
 - a. Forced and hidden up-sells are strictly prohibited
 - b. Up-sells with recurring charges (even if customer opts-in) are prohibited
 - c. One-time up-sells are allowed providing the price point is clearly disclosed and the consumer confirms the transaction.
5. Refund Requirements: Merchants must not require customers to return their free-trial sample to receive a refund or cancel the subscription.

OPERATIONAL PRACTICES

1. Access to Customer Service: Customers must have multiple means for reaching customer support and cancelling orders (phone, e-mail, live chat)
2. Hours of Operation:
 - a. Customer support must operate within reasonable hours in the region the product was sold.
 - b. High volume products must have 24x7 customer support available.
3. Invoice Quality: The customer service numbers and transaction billing information must be clearly disclosed on the invoice that is included with the product delivery.

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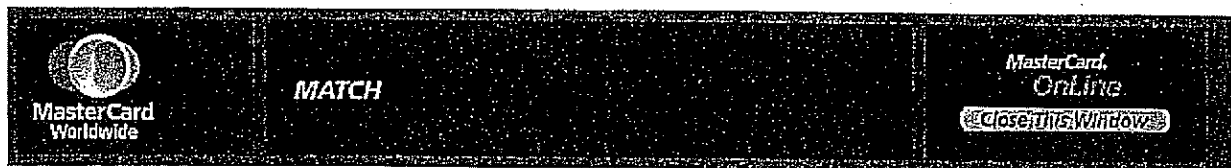
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4. **Order Fulfillment:** The product must be shipped within 48 hours (two business days) to the customer and should include tracking information.
5. **Affiliate Network Responsibilities:** Affiliate networks must keep the offers private to ensure they can account for who and how the offers are being run.

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Sara Sharp

Inquiry Results(Print Detail)

Main Menu
General Operations
Maintenance
Administration
File Operations
Tools
Help

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[Next Set >>](#)

[Inquiry](#) [Possible Inquiry Match 1 of 9](#)

Reference Number:	77852010071200262	
Date:	07/12/2010	02/11/2010
Merchant Data:		
Merchant Name	NET SOFT MEDIA, LLC	NET SOFT MEDIA, LLC
Doing Business As	WWW.PHONEAGENTSOURCE.COM	PHONE AGENT SOURCE
Merchant Id		
Merchant Category Code		
Business Address	14321 LONG RIDGE DR.	14321 LONG RIDGE RD
Business Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National Tax Id		
State Tax Id		

Principal Data:		
Principal1:		
Last Name	MILNE	MILNE
First Name	CAREY	CAREY
Middle Initial		
Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Address		
City	HERRIMAN	MERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		
Driver's License Country		

[Inquiry](#) [Possible Inquiry Match 2 of 9](#)

Reference Number:	77852010071200262	
Date:	07/12/2010	02/17/2010
Merchant Data:		
Merchant Name	NET SOFT MEDIA, LLC	NET SOFT MEDIA LLC
Doing Business As	WWW.PHONEAGENTSOURCE.COM	PHONE AGENT SOURCE
Merchant Id		
Merchant Category Code		
Business Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR.
Business Address		

City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National Tax Id		
State Tax Id	*****	
Principal Data:		
Principal:		
Last Name	MILNE	MILNE
First Name	CAREY	CAREY
Middle Initial		
Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		UT
Driver's License Country		USA

Inquiry **Possible Inquiry Match 3 of 9**


Reference Number:	77852010071200262	
Date:	07/12/2010	02/26/2010
Merchant Data:		
Merchant Name	NET SOFT MEDIA, LLC	NET SOFT MEDIA
Doing Business As	WWW.PHONEAGENTSOURCE.COM	PHONE AGENT SOURCE
Merchant Id		
Merchant Category Code		
Business Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Business Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National Tax Id		
State Tax Id	*****	

Principal Data:		
Principal:		
Last Name	MILNE	MILNE
First Name	CAREY	CAREY
Middle Initial		
Address	14321 LONG RIDGE DR.	
Address		
City	HERRIMAN	
State	UT	
Country	USA	USA
Postal Code	84096	
Phone Number		
National ID(SSN)		

Driver's License Number
Driver's License State
Driver's License Country

Inquiry	Possible Inquiry Match 4 of 9
Reference Number:	77852010071200262
Date:	07/12/2010 02/04/2010
Merchant Data:	
Merchant Name	NET SOFT MEDIA, LLC NET SOFT MEDIA, LLC
Doing Business As	WWW.PHONEAGENTSOURCE.COM PHONERECORDSPRO.COM
Merchant Id	
Merchant Category Code	
Business Address	14321 LONG RIDGE DR. 14321 LONG RIDGE DR.
Business Address	
City	HERRIMAN HERRIMAN
State	UT UT
Country	USA USA
Postal Code	84096 84096
Phone Number	
National Tax Id	
State Tax Id	
Principal Data:	
Principal:	
Last Name	MILNE MILNE
First Name	CAREY CAREY
Middle Initial	
Address	14321 LONG RIDGE DR. 14321 LONG RIDGE DR
Address	
City	HERRIMAN HERRIMAN
State	UT UT
Country	USA USA
Postal Code	84096 84096
Phone Number	
National ID(SSN)	
Driver's License Number	
Driver's License State	
Driver's License Country	

Inquiry	Possible Inquiry Match 5 of 9
Reference Number:	77852010071200262
Date:	07/12/2010 03/18/2010
Merchant Data:	
Merchant Name	NET SOFT MEDIA, LLC NET SOFT MEDIA, LLC
Doing Business As	WWW.PHONEAGENTSOURCE.COM SWIPEBIDS.COM
Merchant Id	
Merchant Category Code	
Business Address	14321 LONG RIDGE DR. 14321 LONG RIDGE DR
Business Address	
City	HERRIMAN HERRIMAN
State	UT UT
Country	USA USA
Postal Code	84096 84096
Phone Number	
National Tax Id	
State Tax Id	
Principal Data:	

Principal:		
Last Name	MILNE	MILNE
First Name	CAREY	CAREY
Middle Initial		
Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84095	84096
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		UT
Driver's License Country		USA

	Inquiry	Possible Inquiry Match 6 of 9
Reference Number:	77852010071200262	
Date:	07/12/2010	02/04/2010
Merchant Data:		
Merchant Name	NET SOFT MEDIA, LLC	NET SOFT MEDIA
Doing Business As	WWW.PHONEAGENTSOURCE.COM PHONE AGEN SOURCE	
Merchant Id		
Merchant Category Code		
Business Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Business Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National Tax Id		
State Tax Id		
Principal Data:		
Principal:		
Last Name	MILNE	MILNE
First Name	CAREY	CAREY
Middle Initial		
Address	14321 LONG RIDGE DR.	14321 LONG RIDGE DR
Address		
City	HERRIMAN	HERRIMAN
State	UT	UT
Country	USA	USA
Postal Code	84096	84096
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		
Driver's License Country		

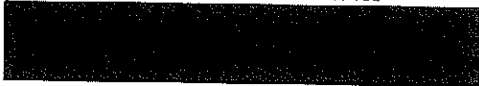
	Inquiry	Possible Inquiry Match 7 of 9
Reference Number:	77852010071200262	
Date:	07/12/2010	06/07/2010
Merchant Data:		
Merchant Name	NET SOFT MEDIA, LLC	SPHERE MEDIA
Doing Business As	WWW.PHONEAGENTSOURCE.COM SWIPEBIDS.COM	
Merchant Id		
Merchant Category Code		
Business Address	14321 LONG RIDGE DR.	906 WEST 400 SOUTH
Business Address		
City	HERRIMAN	OREM
State	UT	UT
Country	USA	USA
Postal Code	84096	84058
Phone Number		
National Tax Id		
State Tax Id		
Principal Data:		

Confidential
VISA 00186

<https://mbe2stl101.mastercard.net/hsm2ca203/match/Action>

7/12/2010

ATTACHMENT U - p. 6

Principal:		
Last Name	MILNE	SECHRIST
First Name	CAREY	ADAM
Middle Initial		
Address	14321 LONG RIDGE DR.	100 DEW DROP CT
City	HERRIMAN	YORK
State	UT	PA
Country	USA	USA
Postal Code	84096	17403
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		
Driver's License Country		

Reference Number:
Date:

77852010071200262
07/12/2010

05/10/2010

Merchant Data:

Merchant Name
Doing Business As
Merchant Id

NET SOFT MEDIA, LLC
WWW.PHONEAGENTSOURCE.COM
SPHERE MEDIA LLC
SWIPEBIDS.COM

Merchant Category Code

Business Address

14321 LONG RIDGE DR.

906 WEST 400 SOUTH

Business Address

City

HERRIMAN

OREM

State

UT

UT

Country

USA

USA

Postal Code

84096

84058

Phone Number

National Tax Id

State Tax Id

Principal Data:

Principal:

Last Name

MILNE

SECHRIST

First Name

CAREY

ADAM

Middle Initial

Address

14321 LONG RIDGE DR.

100 DEW DROP COURT

Address

City

HERRIMAN

YORK

State

UT

PA

Country

USA

USA

Postal Code

84096

17403

Phone Number

National ID(SSN)

Driver's License Number

Driver's License State

Driver's License Country

PA

USA

Reference Number:
Date:

77852010071200262
07/12/2010

02/17/2010

Merchant Data:

Merchant Name
Doing Business As
Merchant Id

NET SOFT MEDIA, LLC
WWW.PHONEAGENTSOURCE.COM
SPHERE MEDIA, LLC
SWIPEBIDS.COM

Merchant Category Code

Business Address

14321 LONG RIDGE DR.

906 WEST 400 SOUTH

Business Address

City

HERRIMAN

OREM

State

UT

UT

Country

USA

USA

Postal Code

84096

84058

Phone Number

National Tax Id

State Tax Id

Principal Data:

Confidential

VISA 00188

7/12/2010

<https://mbe2stl101.mastercard.net/hsm2ca203/match/Action>

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Principal1:		
Last Name	MILNE	SECHRIST
First Name	CAREY	ADAM
Middle Initial		
Address	14321 LONG RIDGE DR.	100 DEW DROP CT
City	HERRIMAN	YORK
State	UT	PA
Country	USA	USA
Postal Code	84096	17403
Phone Number		
National ID(SSN)		
Driver's License Number		
Driver's License State		
Driver's License Country		

Confidential
VISA 00189

<https://mbe2stl101.mastercard.net/hsm2ca203/match/Action>

7/12/2010

ATTACHMENT U - p. 9

RE (from sfox) NOT GOOD!! Visa cuts off 100 merchants for sc.txt
From: Kristin Dach
Sent: Friday, December 18, 2009 12:33 PM
To: Tom Dailey; Alan Homewood
Cc: Rachyl Kershaw
Subject: RE: (from sfox) NOT GOOD!! Visa cuts off 100 merchants for scamming consumers

Follow Up Flag: Follow up
Flag Status: Green

Tom's correct. Affiliates are the issue. Rachyl's group has been diligent in asking for endorsement agreements for any and all [REDACTED]-sites that are being considered for direct integration.

K

From: Tom Dailey
Sent: Friday, December 18, 2009 11:11 AM
To: Alan Homewood; Kristin Dach
Cc: Rachyl Kershaw
Subject: RE: (from sfox) NOT GOOD!! Visa cuts off 100 merchants for scamming consumers

I think it was more of "as seen on Oprah", referring to the supplement ingredients rather than his actual product. My understanding is celebrities have successfully challenged this in some court cases.

Tom

From: Alan Homewood
Sent: Friday, December 18, 2009 11:09 AM
To: Tom Dailey; Kristin Dach
Cc: Rachyl Kershaw
Subject: RE: (from sfox) NOT GOOD!! Visa cuts off 100 merchants for scamming consumers

Dee mentioned that he had stars like Oprah in with his products. Do we have confirmation of that?

RE (from sfox) NOT GOOD!! Visa cuts off 100 merchants for sc.txt

From: Tom Dailey
Sent: Friday, December 18, 2009 11:04 AM
To: Kristin Dach
Cc: Rachyl Kershaw; Alan Homewood
Subject: RE: (from sfox) NOT GOOD!! Visa cuts off 100 merchants for scamming consumers

Kristin,

[REDACTED] mentioned to me that the [REDACTED] inquiry may have been the result of a call initiated by Visa, so this all fits. Do you plan to share with Dee and crew? This can play nicely into us as an option for these types of merchants who now have no choice but to manage their processes more efficiently.

The interesting thing is the article doesn't really mention on what basis Visa is shutting these merchants down. I'm not sure what rule or regulation the merchants were violating (if any) other than perhaps the chargeback threshold.

Tom

From: Kristin Dach
Sent: Friday, December 18, 2009 10:58 AM
To: [REDACTED]
Cc: Tom Dailey; Rachyl Kershaw
Subject: FW: (from sfox) NOT GOOD!! Visa cuts off 100 merchants for scamming consumers

Hello [REDACTED],

Happy Friday.

One of my risk department personnel caught the following article and I wanted to bring it to your attention.

We've discussed previously the need for an action plan associated with the future adoption of some of these businesses into the 2CO fold. I wanted to reassure you personally that we see this as a serious challenge due to the inherent problems with the historical business model. It is complicated by supply chains, inventory, existing affiliate marketing utilization and, of course, the perception that because the billing practices have been perceived as a "scam" then the product must also be

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RE (from sfox) NOT GOOD!! Visa cuts off 100 merchants for sc.txt
bad.

When in office, the representatives described a fairly detailed plan to change the perception associated with their products and to create a trust online "brand" for products of this type. We've had volumes of correspondence generated between our Ops staff and [REDACTED] (one of the Florida-based corporations under the mantle of this organization) detailing what we feel is and is not acceptable. We believe their principal may be sincere in his plans for these products but, of course, how fast they can move is controlled by many factors.

I am happy to see this AP article since it may force them to move faster to a model wherein the cardholder is empowered and where they may be forced to manage the affiliate portion of the process more aggressively AND permit 2CO to dictate not only acceptable but best-in-class billing practices.

I've requested an update on the merchant vendor that caused much of our headaches with VISA Europe for high chargeback utilization. A few changes we "suggested" resulted in nearly half the chargebacks, slightly lower gross sales volume but a gain in NET volume. It is a testament to our ability to affect positive change, increase revenue AND do so while protecting the rights of the cardholder.

I think the same can be done for these products and I am repeating our offer to formalize our action plan and risk/gain assessments for potential presentation to VISA and other concerned parties.

If, at any time, we feel this business is detrimental to the overall essence of 2CO or find them violating the terms we have in place they will be terminated.

If they get "blacklisted" even 2CO will not be able to support them under any model.

Regards,

Kristin

Kristin Dach

CFO/COO

2Checkout.com, Inc.

RE (from sfox) NOT GOOD!! Visa cuts off 100 merchants for sc.txt

Begin forwarded message:

<http://finance.yahoo.com/news/Visa-cuts-off-100-merchants-apf-3097011265.html?x=0&.v=1>

By Eileen Aj Connelly, AP Personal Finance Writer , On Thursday December 17, 2009, 8:00 am EST

NEW YORK (AP) -- Visa Inc. has cut off 100 scammers who use bogus marketing techniques to dupe consumers in the past six months.

Among the most common hustles: billing the credit cards of customers who thought they were getting free trial products like dietary supplements or teeth whiteners \$79.95 per month or more, and then making them jump through hurdles to get the charges to stop.

"We've been monitoring this situation from this past summer in particular," said William M. Sheedy, a Visa group president. The number of complaints from cardholders who disputed ongoing charges they never agreed to shot up, although the merchants and the products they sold often varied.

While there are always a handful of complaints about merchants, most are resolved quickly. But in the case of the ongoing charges, it was clear the problem was widespread. "Consumers are being fleeced," Sheedy said.

Visa told The Associated Press that about 100 merchants had their payment processing terminated because of chronic complaints since early summer. The scam is so common, the San Francisco payment processor is teaming up with the Federal Trade Commission and the Better Business Bureau to alert consumers.

Most of the time, the swindlers use Internet ads to lure their customers. The ads often feature unauthorized photos of celebrities like Oprah Winfrey and Rachel Ray, implying endorsements for supplements like acai berries or teeth whiteners.

Newer variations take advantage of the recession with work-at-home scams, or con people into seeking information about applying for government grants linked to economic stimulus programs.

Winfrey and her frequent guest Dr. Mehmet Oz filed several lawsuits this year trying to stop companies from implying they endorsed products made with acai berries.

"The fraud artists look for the fraud du jour and they will play that up magnificently," said Lois Greisman, an associate director of the FTC.

Other common features on the deceptive ads are fake testimonials and credit for the discovery of breakthrough products to a "local mom," said Stephen Salter, vice president of BBB Online. When someone clicks on the ad, their computer's location triggers a program that sets the origin of the "local" mom near that user.

Here's how it works: consumers click on an ad for a free trial offer of supplements or a free "information kit" that will explain how to apply for government grants or use the Internet to make big money effortlessly from home. They think they're entering a credit card number to pay for shipping and handling. But in a few clicks, they've unwittingly authorized ongoing charges that can rack up fast.

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RE (from sfox) NOT GOOD!! Visa cuts off 100 merchants for sc.txt
When consumers see their statements and try to question the charges, they are often unable to track anyone down to make them stop. Often, clicking through can result in more than one monthly charge on a card.

"The game here is to get people hooked, keep them on the hook for monthly charges as long as you can, and only stop making those charges when you're forced to," said Stephen Salter, vice president of BBB Online. BBB has received thousands of complaints about the problem, with multiple companies to blame. "The product is irrelevant to getting the charges on the card."

The trick is a marketing technique called "negative option," where customers must say they don't want to join a so-called club or receive additional materials in the future. The details of the ongoing charges are often in small print or can only be found by following a hyperlink. There's frequently a series of pre-checked boxes that most consumers zoom past as they order. Skipping those boxes is key, because leaving them checked ostensibly giving the companies permission to keep charging the card.

"I can't count the number of sites online that are engaged in this type of advertising, and even if I could count them today, that number could easily change tomorrow," said Greisman of the FTC. The Internet has given "new life and new breath" to this type of scam, which the agency has also seen in the past with direct mail, telemarketing and even television ads.

It's impossible to track how many people have been caught up in the scams or how many companies are involved.

Negative option marketing is not illegal. It's the hidden manner some companies use to get people to agree to the charges that is the problem. "Those cost disclosures have to be upfront and prominent," Greisman said.

Before making a purchase, consumers should check the company out with on the BBB web site, <http://www.bbb.org>, to see if it has racked up complaints. Consumers who've been caught up in the scams should file complaints with the FTC online at ftc.gov or by phone at 1-877-FTC-HELP.

Visa, the FTC and BBB will hold a news conference at the National Press Club in Washington, D.C., at 10 a.m. EST to alert consumers to the problem.

Issues ahead of our call.txt

From: Tom Dailey
Sent: Wednesday, December 23, 2009 11:20 AM
To: 'dee@contactcenter.com'
Cc: Rachyl Kershaw; Alan Homewood; Kristin Dach; [REDACTED]
Subject: Issues ahead of our call

Follow Up Flag: Follow up
Flag Status: Green

Dee,

As you know, I very greatly value the potential in the relationship between our two companies. We have discussed before our concerns about customer inquiry handling, billing practices and other business practices. I am confident you want to improve your business practices, and we believe we are uniquely positioned to help you do that, but frankly I am concerned about the volume of issues that have arisen in addition to inquiries from Visa and others outside our company... all of these coupled with recent announcement of FTC reviews.

I am very concerned about some patterns we are seeing across the board. Aside from the somewhat-expected confusion about recurring billing, which could in fact be a customer error, there are questions about failure to cancel. Unauthorized additional product charges, customer service refusals and/or poor service, returns sent within the window period not being processed, etc. Many of these are very recent - some within the last few days. We will be unable to process your future business if these issues continue. As you may know, we have already had inquiries from Visa and we will need your assistance in preparing a response.

We would also like a full list of all senior/principal company employees, their status with your firm (direct employee or contracted), their full contact information including address, telephone and email. We reserve the right not to interact with individuals using generic (Yahoo, etc.) email accounts.

I would like the immediate authority to do a site visit to your Florida center, which is named in several complaints, as well as the ability to do unannounced customer listening monitoring at any time.

I am extremely concerned that an individual in your organization would request us to provide cardholder account numbers. We will never provide that type of sensitive data and such requests are improper and may be illegal.

We remain happy to work with you to resolve these and other issues, but must impress on you the need for immediate, tangible and demonstrated improvement.

I look forward to speaking with you this afternoon.

Best regards,
Tom Dailey
President

Tom E. Dailey, President
2Checkout.com, Inc.
1785 O'Brien Rd.
Columbus, OH 43228
614-921-2450 Ext. 139
877-294-0273 Toll Free US and Canada
0871-284-4844 UK and Northern Ireland

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ATTACHMENT V - p. 6

Issues ahead of our call.txt
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Pashe Narrative.txt

From: Tom Dailey
Sent: Saturday, February 20, 2010 7:14 PM
To: Kristin Dach
Cc: Alan Homewood; Rachyl Kershaw; Tony Santucci; Brad Pence; Tom Blackburn
Subject: Pashe Narrative

Follow Up Flag: Follow up
Flag Status: Green

Alan, Kristin, Tom, Rachyl, Brad and Tony:

I talked to [REDACTED] and [REDACTED] over the weekend and we agreed that it is important that we create a "narrative" document that outlines the chronology of events with Pashe from the beginning of the relationship until now. Some of the key elements should include:

- How we met/who introduced
- Summary of meetings/conference calls/emails in which any type of procedures, policies or agreements were discussed.
- Why we felt our reserve would be more than adequate (mention cooperation with [REDACTED], etc. and their utilization numbers)
- Our diligence process (including FDA compliance, documentation, verifications of principals, etc.)
- Conversations with [REDACTED] about their comfort level to move forward (I may have some emails from [REDACTED] on this)
- How we tracked financials against the reserve balances
- Conversations with Dee or other principals
- What happened after we shut them off (Paymentech example of 2CO descriptor, [REDACTED] packing slip still showing 2CO for non-2CO transactions, etc.)
- Any knowledge of who they continue to process with (Alan's test transaction - [REDACTED] can help us get BIN number)

The purpose of this document is to show Visa/[REDACTED] that we made a reasonable business judgment based upon a good amount of diligence, that we were a victim of the merchant, and that we at all times have maintained an adequate reserve (between us and [REDACTED]). I'm sure it will also be useful for our attorneys.

The document does not need to be a novel, just a set of chronological bullet points and short paragraphs. Facts only, no editorializing or opinions. Relevant attachments should be included and cross-referenced back to the document.

I know this is going to be a lot of work, but [REDACTED] feels (and I agree) that it is important that we demonstrate to Visa that we made a reasonable, logical business decision and put appropriate protections in place.

Kristin, I would appreciate if you would be the coordinator for this. We can discuss in Management Committee on Tuesday. If at all possible, I would like to have the completed document by the end of this week. It probably makes sense for us to have a couple of group meetings during the week to discuss.

Please make sure that all written communications going forward (including emails, documents, drafts, notes, etc.) regarding this account contain relevant facts only. Do not edit or destroy any prior communications on this account.

Thanks,
Tom

Pashe.txt

From: Tom Dailey
Sent: Tuesday, February 23, 2010 3:08 PM
To: ALL-ManagementCommittee
Cc: 'Ken Sperl'
Subject: Pashe

Follow Up Flag: Follow up
Flag Status: Green

All, just an update on Pashe, but keep confidential outside the Management Committee.

Tony has completed a comprehensive analysis that projects the total charges against the reserves will slightly exceed the combined amount [REDACTED] and 2CO are currently holding. (Tony, please forward your analysis to the Management Committee and Ken Sperl.)

However, that does not take into account the Visa fine that we know is coming and expect to be at least \$1 million and theoretically could be as high as \$6 million, and it is unlikely [REDACTED] will release the full \$3.1 million they are holding.

There is also the possibility the results could come in higher. We posted over \$900,000 representing 12,000 chargebacks last week alone. On that basis, I am going to continue to press Dee for the increased reserve funding and if he does not remedy today I am going to ask counsel to prepare arbitration notices to every senior contact we have associated with this account.

Tom

Re Chargeback Projection.txt

From: Dee Agarwal [mrpak9@gmail.com] on behalf of Dee [dee@contactcenter.com]
Sent: Sunday, March 21, 2010 4:04 PM
To: Tom Dailey; dan@deedevelopments.com
Subject: Re: Chargeback Projection

Dear Tom,

Thanks for the analysis. Certainly of interest to us !

1. Fraud reason code can be selected - because of reputation of industry and issuing banks telling consumers these are fraud. Does not mean it is fraud, certainly the business units have not actively engaged in fraud. There is always a chance that a small number of fraud slips through from affiliates (1-2%). I know you guys were completing an analysis on fraud transactions (duplicates by bin, ip etc.) did you finish that to get a total count? The last number I saw was 100~ transactions and out of that 20-30 were tests.. Let me know.
2. Please send me updated overdraft by business unit (\$ count) so we can allocate the liability correctly on our end.
3. Please also send me updated overdraft with when \$2 CB fee went in to account (Feb 24th?). We'll make sure wire is sent, will keep you updated on that.
4. Keep me posted on Visa potential fine outcome. Were you expecting to hear back from them this week?

Out of total \$57M volume processed, 25% reserve plus frozen funds is close to \$15.3M + we've funded so far \$1.65M = \$17M, out of that \$3.1M was given to [REDACTED] on reserve (to cover potential cb/fines) leaving balance of \$13.9.... With \$8.63 in CB volume coming through that leaves a balance of \$5.27. How much was refunds and cb fees cost wise? Let me know.

Once again, I hope you can see we are being as co-operative as possible during these tough times - in complete good faith.

Thanks,
Dee

----- Original Message -----

From: Tom Dailey
To: dan@deedevelopments.com ; dee@contactcenter.com
Sent: Sunday, March 21, 2010 10:38 AM
Subject: Chargeback Projection

I am attaching below an analysis from one of my finance people which should interest you. His initial projections, which I forwarded several weeks ago, appear to still be true as to total dollar amount (\$10+ million), albeit the mix has been coming up differently. We believe there is approximately \$1.3 million to go.

Also, if you see the number that have been coded by card issuers as either fraud or non-performance, you will understand both Visa's and our concerns. Visa has told us that this has been the largest single number of chargebacks attributed to a single business in Visa's history.

I trust that the reserve payment this week will arrive on the contractually agreed date of Wednesday.

Tom

Sent: Saturday, March 20, 2010 12:15 PM
To: Tom Dailey; Alan Homewood; Kristin Dach; Brad Pence
Subject: RE: Projection

Re Chargeback Projection.txt

Okay analysis run again per previous write-up, I'm starting to see an issue.

We're trying to box a moving target now and the Age-To-Chargeback analysis is now starting to break down. I still stand by my original projection of 10-10.3MM in USD volume as the chargeback projection overall. As of 2PM on 3/19 we're looking at 8.634MM in USD chargeback volume.

Here is what is starting to cause the issue.

Month	Average Age of Tran to Chargeback
Dec - Current	43
Dec - March	40
Dec - Feb	30
Dec - Jan	14

They are getting older, quickly. Of the chargebacks we were debited for on March 16th (316 of them) 28 of them are for transactions that were placed on 12/2, 161 of them were placed before 12/15 (defacto mid-point).

I started to take a look at the chargebacks we were debited for on 3/17 as a quick bit of research and here is the reason code breakdown.

57	Cancelled Recurring Transaction Count
141	Cardholder Does Not Recognize Transaction Count
248	Credit Not Processed Count
2	Duplicate Processing Count
625	Fraudulent Transaction - Card Absent Environment Count
3	No Cardholder Authorization Count
10	Not As Described Count

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ATTACHMENT V - p. 11

Re Chargeback Projection.txt

17
Risk Identification Service Count

51
Services Not Rendered Count

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Durham, Eleanor

From: Durham, Eleanor
Sent: Wednesday, November 24, 2010 10:16 AM
To: Setala, Eric M.
Subject: FW: FTC CID Responses
Attachments: Chargeback&CreditSummaries-JustThink.xlsx

From: Stephanie Kristal [mailto:skristal@2co.com]
Sent: Thursday, November 18, 2010 11:34 AM
To: Durham, Eleanor
Cc: Decker, Kathryn C.
Subject: RE: FTC CID Responses

Eleanor,

Attached you will find the report you requested. In order to open it, you may have to save it to your computer first.

In this file you will find 2 tabs; one for sales and refunds the other for chargebacks. The reason they are broken up is that the soft descriptors on chargebacks are not always "clean" as some issuers will edit/change the soft descriptor when they issue the chargeback.

The sales and refunds tab lists the Business Unit Name, DBA Name, and the count and amount of settlements and refunds.

The chargebacks tab lists the Business Unit Name, DBA Name, and the counts and amounts of debits and credits (a chargeback credit can be a chargeback reversal or a refund that was rejected). This file should only contain data relevant to the Business Unit "JustThink".

Please let me know if you need anything else.

Stephanie Kristal

From: Durham, Eleanor [mailto:EDURHAM@ftc.gov]
Sent: Wednesday, November 03, 2010 7:02 PM
To: Stephanie Kristal
Cc: Decker, Kathryn C.
Subject: FTC CID Responses

Hi. Can you give me chargeback and credit summaries for the soft descriptors associated with the Just Think Media products handled by Pashe? I can't see how I can get that info from the materials produced. Thanks.

CONFIDENTIALITY STATEMENT: All information included in this communication, including attachment(s), is intended solely for delivery to and authorized use by the addressee(s) identified above, and may contain privileged, confidential, proprietary and/or trade secret information entitled to protection and/or exempt from disclosure under applicable law. If you are not the intended recipient, please note that any use, distribution or copying of this communication is unauthorized and may be unlawful. If you have received this communication in error, please notify sender immediately and delete this communication from your computer.

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5/7/2011

Unit Name	DBA Name	Settlement Count	Settlement Amount	Credit Count	Credit Amount
JustThink	SUP*COLONCLEAR	23,247	\$1,422,715.36	679	\$45,924.65
JustThink	SUP*GROWTHTOOLS	41,808	\$2,952,059.47	238	\$17,074.08
JustThink	SUP*MAXFORCE	110,328	\$8,424,856.17	4,505	\$372,575.75
JustThink	SUP*MAXIMIZEYOU	162,016	\$1,097,807.25	62	\$510.16
JustThink	SUP*POWERPLATFORM	28,068	\$678,113.29	60	\$1,412.62
JustThink	SUP*PURELIFT	3,897	\$303,799.04	162	\$13,597.76
JustThink	SUP*RESVERATROL	1,904	\$150,106.16	48	\$3,757.30
JustThink	SUP*SMILEBRIGHT	148,613	\$12,056,114.30	13,044	\$1,083,187.42
JustThink	SUP*SUCCESSSYSTEM	3,573	\$172,447.11	15	\$679.68
JustThink	SUP*WHITETEETH	19,941	\$950,847.56	574	\$27,232.49
JustThink	SUP*WORLDFIT	329,498	\$4,247,261.66	475	\$10,418.70
Total		872,893	\$32,456,127.37	19,862	\$1,576,370.61

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Unit Name	DBA Name	Debit Count	Debit Amount	Credit Count	Credit Amount
JustThink	*SUP*COLONCLEAR	1	\$90.52		
JustThink	*SUP*PURELIFT	2	\$182.20		
JustThink	*SUP*SMILEBRIGHT	5	\$446.80		
JustThink	*SUP*WHITETEETH	1	\$49.05		
JustThink	*SUP*WORLDFIT	1	\$24.54		
JustThink	AT-SUP*WORLDFIT	3	\$70.74		
JustThink	DUP*MAXFORCE	1	\$43.12		
JustThink	SMILEBRIGHT	1	\$86.93		
JustThink	SUP COLONCLEAR	22	\$1,759.08		
JustThink	SUP COLONCLEAR	1	\$48.84		
JustThink	SUP GROWTHTOOLS	60	\$4,684.57		
JustThink	SUP MAX FORCE	2	\$130.33		
JustThink	SUP MAXFORCE	90	\$7,368.03		
JustThink	SUP MAXFORCE	2	\$171.72		
JustThink	SUP MAXIMIZEYOU	13	\$97.91		
JustThink	SUP POWERPLATFORM	12	\$294.49		
JustThink	SUP PURELIFT	18	\$1,529.74		
JustThink	SUP RESVERATROL	3	\$265.67		
JustThink	SUP SMILEBRIGHT	87	\$7,584.68		
JustThink	SUP SUCCESSSYSTEM	8	\$396.06		
JustThink	SUP WHITETEETH	10	\$497.95		
JustThink	SUP WORLDFIT	74	\$1,613.17		
JustThink	SUP*COLONCLEAR	2,295	\$155,116.85	1	\$86.93
JustThink	SUP*GROWTHTOOLS	1	\$81.03		
JustThink	SUP*GROWTHTOOLS	5,952	\$453,574.51	1	\$79.17
JustThink	SUP*GROWTHTOOLS(F)	1	\$75.50		
JustThink	SUP*MAXFORCE	11,037	\$910,354.58	1	\$86.93
JustThink	SUP*MAXFORCE	1	\$86.93		
JustThink	SUP*MAXI	1	\$6.31		
JustThink	SUP*POWERPLATFO	7	\$173.74		
JustThink	SUP*POWERPLATFORM	3,143	\$75,901.83	1	\$24.13
JustThink	SUP*PURELIFT	639	\$53,338.06		
JustThink	SUP*RESVERATROL	229	\$18,646.10		

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JustThink	SUP*SMILE BRIGHT	2	\$173.86		
JustThink	SUP*SMILEBRIGHT	29,015	\$2,454,536.79		
JustThink	SUP*SMILEBRIGHT	3	\$265.52	4	\$309.36
JustThink	SUP*SMILEBRIGHT *REF*	2	-\$169.04		
JustThink	SUP*SMILEBRIGHT *REF*	1	-\$84.76		
JustThink	SUP*SUCCESSYST	6	\$293.52		
JustThink	SUP*SUCCESSYSTEM	554	\$26,786.81		
JustThink	SUP*WHITETEETH	3,561	\$172,724.10	1	\$48.23
JustThink	SUP*WHITETEETH	1	\$49.67		
JustThink	SUP*WOLDFIT	1	\$23.47		
JustThink	SUP*WORLD	1	\$23.69		
JustThink	SUP*WORLDFIT	18,624	\$418,435.64	3	\$72.61
JustThink	SUP*WORLDFIT	2	\$49.44		
JustThink	WHITETEETH	1	\$48.23		
Total		75,497	\$4,767,948.52	12	\$707.36

Matthew P. Collins***Attorney at Law***

3 West Paces Ferry Road, Suite 201

Atlanta, Georgia 30305

Mail to: PO Box 191062

Atlanta, Georgia 31119

404-214-6070

Fax: 678-669-1518

September 13, 2009

VIA FAX (416-644-4945) AND OVERNIGHT COURIER

The Canadian Council of Better Business Bureaus

2 St. Clair Ave. East

Toronto, ON M4T 2T1

Re: Listing for Farend Services LTD and Dazzle Smile Pro
(www.dazzlesmilepro.com)

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-unproven/dazzle-white-in-sherwood-park-ab-153474>

To Whom It May Concern:

I'm writing today regarding my client Farend Services LTD and the above referenced listing that includes Farend Services LTD and its product Dazzle Smile Pro (www.dazzlesmilepro.com). Unfortunately, this listing shows a non-existent ownership link between the company's product and Jesse Willms. Because of the reputation Mr. Willms enjoys, any alleged relationship or connection to him or his businesses can be extremely damaging to Farend Services LTD and the company's products and services. We are thus eager to clarify this situation and find out what actions are necessary for you to correct this information on the above referenced web page as well as any other locations which this kind of incorrect information may reside.

For the record, please be advised that Farend Services Ltd. and its product Dazzle Smile Pro (www.dazzlesmilepro.com) has no connection or business link to Jesse Willms or any companies owned or operated by Jesse Willms.

In support of the statements contained in this letter, please find a copy of the Declaration of Trust executed by Nomilink Management Limited which is the trustee of the owner of Farend Services Ltd, who is Evelyn Canonizado Domingo. I can provide a sworn affidavit from Ms. Domingo stating that she is the sole owner of the company and she has no connection, personal or business, with Jesse Willms if necessary. Please review this document carefully and let me know if you require the affidavit or need any additional information to update and correct your records.


ATTACHMENT W - p. 1

Better Business Bureau
September 13, 2009
Page 2

As you can understand, every day that the information on your site remains incorrect and online, substantial and continuous damage will occur to the company. While we stand ready to assist you in verifying the accuracy of the information regarding our company, time is short and we must insist that you respond to us within 24 hours of the date of this letter to let us know of additional information needed or steps you intend to take to correct the information contained on your website. Please be advised that due to the continuing damages we are enduring resulting from the incorrect information on your site, we must insist that you expedite this process as your failure to do so will leave us with no choice but to take legal action to protect our rights and good name.

Thank you for your assistance and I look forward to hearing back from you soon.

Very truly yours,



Matthew P. Collins

Enclosure

cc: Ms. Domingo

ATTACHMENT W - p. 2

AFFIDAVIT

CITY OF MANILA CITY)

COUNTRY OF PHILIPPINES)

PERSON who appeared before me at the office of the undersigned, a duly sworn and qualified public officer in and for the country of Philippines, came Evelyn Canonizado Domingo, who, having been duly sworn, deposes and states as follows:

I am Evelyn Canonizado Domingo. I am of legal age, under no legal disability and make this affidavit based upon my personal knowledge of the facts and I authorize its use for any and all purposes intended by me.

2.

I own 1,000 shares of stock in Farend Services LTD.

I hereby swear and affirm that I am the sole owner of Farend Services LTD and that no stock of the company has been issued to anyone other than me. Just to be clear: there are no shares owned by anyone other than myself.

4.

Jesse Wilms does not have any interest in, or ownership shares of Farend Services LTD.

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I have read the foregoing and it is true and correct and is based upon my personal knowledge of the facts and I authorize its use for any and all purposes allowed by law.

[Signature]
Affiant

Subscribed and sworn to before me

SEP 28 2009

Notary Public

My commission expires

DOC NO. 190
PAGE NO. 38
BOOK NO. CLW
SERIES OF 200 9

[Signature]
NOTARY PUBLIC
BOLL NO. 24656
TIN NO. 14-519-000
PTR NO. H74042-B-01-05-03
IDP NO. 754432-01-05-03
VCL NO. I-0015472
COM. EXPIRES ON 09/28/11

ATTACHMENT W - p. 4